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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

March 14, 2007 - 1:30 P.M.

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

Gavin Newsom, Mayor

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Supervisor Chris Daly (*Ex-Officio*)

Mirian Saez, Director of Island Operations
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call

2. Report by Director of Island Operations (*Discussion Item*)
   Length of Item: 10 minutes

3. Report by Mayor's Office of Base Reuse and Development (*Discussion Item*)
   Length of Item: 10 minutes

4. Communications (*Discussion Item*)
   Length of Item: 5 minutes

5. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*)
   Length of Item: 5 minutes

6. Ongoing Business by Directors (*Discussion Item*)
Length of Item: 5 minutes

7. General Public Comment (*Discussion Item*) ******In addition to General Public Comment (Item #7), Public Comment will be held during each item on the agenda.******
Length of Item: 10 minutes

8. **CONSENT AGENDA**
Length of Item: 5 minutes

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a.) Approving the Minutes of the February 14, 2007 Regular Meeting (*Action Item*)

b.) Resolution Authorizing the Twentieth Amendment to the South Waterfront Master Lease between the Authority and the Navy to delete Building 96 from the Premises (*Action Item*)

c.) Resolution Authorizing the Nineteenth and Twenty-First Amendments to the Land and Structures Master Lease with the United States Navy for Property on Treasure Island to Add Buildings and Vacant Lots to the Premises (*Action Item*)

d.) Resolution Authorizing the Thirteenth Amendment to the Treasure Island Housing Master Lease between the Authority and the Navy to Delete Vacant Land from Premises (*Action Item*)

e.) Resolution Authorizing the Seventeenth Amendment to the Land and Structures Master Lease with the United States Navy to Retroactively allow American Civil Constructors to Store Certain Materials on the Premises (*Action Item*)

f.) Resolution Authorizing the Fifteenth Amendment to the Event Venues Master Lease with the United States Navy to Add Quarters Two and Quarters Three to the Premises (*Action Item*)

9. Informational Presentation on Current Safety Measures Conducted for the Yerba Buena Island Bay Bridge On and Off Ramps *(Discussion Item – as requested by Director Stephens)*
Presenter: Raoul Maltzer, California Department of Transportation
Length of Item: 15 minutes

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10. Resolution Authorizing an Amendment to the Agreement with the San Francisco County Transportation Authority for Administration of an Engineering Contract to Complete a Project Study Report for Replacement of Yerba Buena Island Ramps to Revise the Scope of Work and Increase the Contract Amount by $121,070 for a Total Amount Not to Exceed $496,070 (*Action Item*)
Presenter: Michael Cohen, Office of Base Reuse and Development
Length of Item: 5 minutes

11. Resolution Supporting AB 1543 (Leno) to Authorize the Formation of the Treasure Island Transportation Management Agency (*Action Item – Continued from February 14, 2007 meeting*)
Presenter: Michael Cohen, Office of Base Reuse and Development
Length of Item: 5 minutes

12. Resolution Authorizing the Director of Island Operations to Enter into a Sublease with SF Vendings for 100 Square Feet in Building 201 on a Month-to-Month Basis Through November 30, 2007 (*Action Item*)
Presenter: Marc McDonald, Facilities Manager
Length of Item: 5 minutes

13. Resolution Establishing and Adopting a Banner Policy for the Rental of the Fence Area Above the Yerba Buena Island Tunnel (*Action Item*)
Presenter: Frishta Afifi, Project Manager
Length of Item: 5 minutes

14. Informational Presentation on the Community Process and Recommendations for the Expenditure of the Developer Fund (*Discussion Item*)
Presenter: Marianne Thompson, Community Liaison
Length of Item: 10 minutes

15. Informational Presentation on the City and County of San Francisco's 311 Customer Service Center (*Discussion Item*)
Presenter: Heidi Sieck, Acting Director, 311 Customer Service Center
Length of Item: 10 minutes

16. Informational Presentation on Proposal from Walden House, Inc. to the Treasure Island Development Authority for Reuse of Building 670, the Brig, for the Purpose of Implementing a Female Rehabilitative Community Correction Center (*Discussion Item*)
Presenter: Mirian Saez, Director of Island Operations
Length of Item: 10 minutes

17. Discussion of Future Agenda Items by Directors (*Discussion Item*)
Length of Item: 5 minutes

18. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

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Los murales de MIGUEL COVARRUBIAS | Esplendor del Pacífico

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2 Sur No. 708, Centro Histórico. Puebla, Puebla

BAY BRIDGE NEWS

The Newsletter of the San Francisco Oakland Bay Bridge VISIT OUR WEBSITE: BAYBRIDGEINFO.ORG FEBRUARY, 2007 ISSUE

ANOTHER MAJOR MILESTONE COMPLETED ON THE BAY BRIDGE

To receive *The Bay Bridge News* electronically, please visit www.baybridgeinfo.org and click on the e-Newsletter button.

If you wish to be removed from our mailing list, please call (510) 286-7167, or email info@baybridgeinfo.org

The Bridge Turns Seventy

On November 12, 1936, California Governor Frank Merriam ceremoniously severed the golden chain across the Bay Bridge in Oakland, allowing the first wave of cars to cross over the bay to San Francisco. The opening was part of four days of festivities celebrated by thousands in both cities.

Said Governor Merriam, "We dedicate this bridge today to our own use and to future generations, hoping they will receive it as a legacy of great worth and an indication of our desire to serve."

Two hundred Navy planes flying in formation roared by, releasing parachutes with American flags, as sirens blared in Oakland.

It was a bridge that many thought was impossible to build—strong enough to withstand high winds, earthquakes, and the effects of salt air. Although plans for a bridge dated back to California's early days, for many years the project was fraught with political and technical challenges. Plans did not progress until 1932, with the intervention of President Herbert Hoover. With his prompting, the U.S. Reconstruction Finance Corporation agreed to purchase bonds to finance the bridge's construction, supplemented by a State bond.

The groundbreaking for the new bridge occurred on July 9,

1933, after President Hoover had left office. Three years and five months later, at the opening ceremonies, he spoke of the bridge in superlatives. It featured the world's largest diameter bore tunnel, the largest and deepest piers, and the longest and heaviest cantilever span in the country.

"That this is the greatest bridge yet constructed in the world requires no repetition by me. Its construction also spans the whole advance in industrial civilization—our discoveries in science, our inventions, our increasing skill. It is the product of hundreds of years of cumulative knowledge."

Leading the motorcade of vehicles across the new bridge, Governor Merriam severed the golden chain awaiting him in San Francisco, and hundreds of fishing boats, yachts and water craft passed below the span. Sirens at the Ferry Building heralded a new era for California and the nation. Today, 70 years after it first opened to traffic, this great bridge is undergoing a major transformation that will serve us and generations to come.

Happy Birthday, Bay Bridge!
We're making history...again!

[PRINTER FRIENDLY VERSION]

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February 9, 2007

Treasure Island Development Authority
Attn: Ms. Frishtah Afifi, Project Administrator
410 Avenue of Palms, Building 1
Treasure Island
San Francisco, CA 94130

Dear Ms. Afifi:

Thank you for granting permission for Golden Gate Audubon Society to count birds on your property as part of its 66th annual Oakland Christmas Bird Count, held on Sunday, December 17, 2006. We had a successful count, and the access you granted contributed to that success.

I am attaching an article from The Gull, our chapter's newsletter, as well as a numerical summary of the count. We do not have results broken out for your area alone, but would be happy to answer your questions about particular species, etc. Please contact the Count's co-compiler, Dave Quady, at 510-704-9353 if you have any questions.

Thank you again for granting access. We will contact you in October to request access for our next count, to be held on Sunday, December 16, 2007, and hope you will again grant us access.

Sincerely yours,

Elizabeth Murdoch,
Executive Director

Attachments: The Gull article, and 2006 Oakland CBC Results

Sun Shines for Oakland CBC

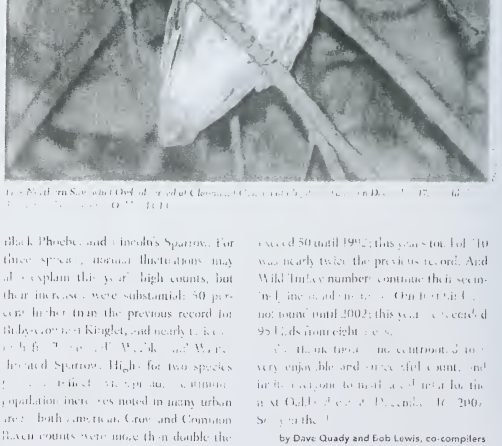
Sun, skies and temperatures in the 50s greeted early morning members for Sunday, December 17, 2006, and pleasant weather continued during the Oakland's 66th Annual Christmas Bird Count. On foot, bicycle, car, canoe, kayak and golf carts, 210 birders spent more than eleven hours in the field and found 91 species and 18,000 individual birds. Fifty-two birders participated in the inaugural Sun Shine contest. Average 18 birders counted in their local neighborhood and contributed the majority of the vehicle-based species. Sandy and Phil Sidman found this year's Allen's Hummingbird, nearly 100 birders gathered at the Oakland's dinner to enjoy Hospitality Chair Susanne Shi's delicious food and travel in recounting Oakland's history in the field.

Birders included Lisa Hamilton, "Good counters more than 16,000 individual birds, 40 percent more than our recent 10-year average. This gain was due mainly to blackbirds. At most, 34,000 birds, numbers of scaup were in the recent years, 22,000 Bufflehead, 11,000, with 8,500, and Double-crested Cormorants, with more than 3,500. Birders also found 3,000 more gulls than the recent average."

On count day we had 126 species, one more than our recent average. Well, the number of species varied from high 120s to low 130s, due to a variation in the number of observers, a phenomenon noted by other California CBC compilers this season. Our best birds were Sora, Spotted Towhee in the Arroyo Viejo Creek Wildlife Refuge, and Ruddy Duck in the Sea. Pacific Golden-Plover, Wandering Tattler, Long-billed Curlew, and Ruddy Turnstone were the third appearance of these species on the Southern Alameda County Count, followed by North Pacific Loon, seen only the fourth. Other species found for the first time since 1974 included Brant's Goose, Lesser Yellowlegs, Common Nighthawk, Short-eared Owl, Red-necked Grebe, Wandering Tattler, Long-billed Dowitcher, and Horned Lark. Also found this year, but not recorded in the 10-year average, were Red-throated Loon, Tundra Swan, Ruddy Turnstone, and Sprague's Pipit.

Turnstone, a species in decline along much of the Pacific Coast, and missed earlier, was the lone exception. The 42 Horned Larks at the Alameda Wildlife Refuge harkened back to the 1970s when even higher numbers were common. During the last 20 years, though, Horned Lark has been found on only half the counts. (Note that our rare bird committee has not yet reviewed the numerical species mentioned above.)

This year 19 species reached record high numbers. No doubt some of these records stemmed in part from normal year-to-year fluctuations. Greater Scaup, Bufflehead, Coopers Hawk, Red-tailed Hawk (tied with the 1974 count), Greater Yellowlegs, Acorn Woodpecker, Hairy Woodpecker, Black Phoebe, and Lincoln's Sparrow. For three species, unusual fluctuations may also explain this year's high counts, but their increases were substantial: 50 percent higher than the previous record for Ruby-crowned Kinglet, and nearly [illegible] for Yellow-rumped Warbler and Western Meadowlark. Sparrow. Highs for two species [illegible] increased [illegible] population increases noted in many urban areas: both American Crow and Common Raven counts were more than double the [illegible] Raven counts [illegible] years ago.



[illegible] Short-eared Owl [illegible] Oakland Christmas Bird Count [illegible] December 17, 2006. [illegible]

Record highs were also recorded for Bald Eagle, with six birds found, and Peregrine Falcon, with nine. The highs may be part of the slow but steady rebound of these predators since the United States banned the pesticide DDT in 1972. Finally, three species that have colonized our area relatively recently also reached record highs: Red-shouldered Hawk, first appeared in 1952, but the species was not found again until 1973, and numbers didn't exceed 10 until 1994, we recorded 46 this year. Peaceful Nuthatches first appeared in very small numbers in 1966 and 1967, but then not again until 1981. Counts didn't exceed 50 until 1992; this year's total 110 was nearly twice the previous record. And Wild Turkey numbers continue their second-in-line ascent to [illegible]. One bird was not found until 2002; this year we recorded 95 birds from eight [illegible].

[illegible] the count [illegible] very enjoyable and successful count, and [illegible] to [illegible] Oakland's [illegible] 2007. See you then!

by Dave Quady and Bob Lewis, co-compilers

Final Results
Oakland, California Christmas Bird Count
December 17, 2006

[illegible] Ross's Goose
[illegible] Canada Goose
[illegible] Wood Duck
143 Gadwall
3 Eurasian Wigeon
[illegible] American Wigeon
[illegible] Mallard
4 Blue-winged Teal
[illegible] Cinnamon Teal
[illegible] Northern Shoveler
57 Northern Pintail
[illegible] Green-winged Teal
[illegible] Canvasback
[illegible] Redhead
[illegible] Ring-necked Duck
19043 Greater Scaup
[illegible] Lesser Scaup
[illegible] [illegible]
5[illegible] Surf Scoter
2 White-winged Scoter
5486 Bufflehead
[illegible] Common Goldeneye
27 Barrow's Goldeneye
4 Hooded Merganser
27 Common Merganser
2[illegible] Red-breasted Merganser
3736 Ruddy Duck
2061 [illegible]
95 Wild Turkey
64 California Quail
27 Red-throated Loon
2 Pacific Loon
33 Common Loon
1 [illegible] sp.
700 Pied-billed Grebe
157 Horned Grebe
2 Red-necked Grebe
149 Eared Grebe
375 Western Grebe
86 Clark's Grebe
104 Aechmophorus sp.
17 American White Pelican
167 Brown Pelican
5 Double-crested Cormorant
7 Pelagic Cormorant
[illegible] Great Egret
[illegible] Snowy Egret
[illegible] Great Blue Heron
[illegible] Green Heron
[illegible] Black-crowned Night-Heron
[illegible] Turkey Vulture
[illegible] Osprey
[illegible] White-tailed Kite
[illegible] Bald Eagle
[illegible] Northern Harrier
[illegible] Sharp-shinned Hawk
[illegible] Cooper's Hawk
[illegible] Accipiter sp.
43 Red-shouldered Hawk
257 Red-tailed Hawk
1 Golden Eagle
1 [illegible]
3[illegible] American Kestrel
[illegible] Merlin
[illegible] Peregrine Falcon
27 Clapper Rail
[illegible] Virginia Rail
8 Sora
[illegible] [illegible]
[illegible] Black-tailed Godwit
706 Semipalmated Plover
246 Killdeer
8 Black Oystercatcher
220 Black-necked Stilt
013 American Avocet
24 Spotted Sandpiper
1 Wandering Tattler
97 Greater Yellowlegs
1183 Willet
1 Lesser Yellowlegs
16 Whimbrel
10[illegible] Long-billed Curlew
037 Marbled Godwit
CW Ruddy Turnstone
43 Black Turnstone
1 Surfbird
5 Red Knot
321 Sanderling
8321 Western Sandpiper
1335 Least Sandpiper
1891 Dunlin
5275 [illegible] sp.
182 Short-billed Dowitcher
95 Long-billed Dowitcher
490 Dowitcher sp.
10 Wilson's Snipe
4 Bonaparte's Gull
2 Heermann's Gull
1592 Mew Gull
1095 Ring-billed Gull
7288 California Gull
275 Herring Gull
2 Thayer's Gull
1702 Western Gull
255 Glaucous-winged Gull
50 Western X Glaucous-winged Gull
[illegible] gull sp.
96 Forster's Tern
2 Common Murre
2[illegible] Rock Pigeon
[illegible] Band-tailed Pigeon
771 Mourning Dove
3 Barn Owl
1 Western Screech-Owl
40 Great Horned Owl
17 Burrowing Owl
[illegible] Northern Saw-whet Owl
10 White-throated Swift
43[illegible] Anna's Hummingbird
20 Belted Kingfisher
82 Acorn Woodpecker
25 Red-breasted Sapsucker
10[illegible] Nuttall's Woodpecker
2[illegible] Downy Woodpecker
33 Hairy Woodpecker
2 Northern (Yellow-shafted) Flicker
[illegible] Northern (Red-shafted) Flicker
[illegible] Northern Flicker
[illegible] Black Phoebe
1[illegible] Say's Phoebe
6 Loggerhead Shrike
71 Hutton's Vireo
503 Steller's Jay
[illegible] Western Scrub-Jay
505 American Crow
265 Common Raven
CW Horned Lark
3 Tree Swallow
1038 Chestnut-backed Chickadee
141 Oak Titmouse
1237 Bushtit
[illegible] Red-breasted Nuthatch
20[illegible] White-breasted Nuthatch
210 Pygmy Nuthatch
62 Brown Creeper
1 Rock Wren
151 Bewick's Wren
2 House Wren
57 Winter Wren
16 Marsh Wren
155 Golden-crowned Kinglet
1628 Ruby-crowned Kinglet
224 Western Bluebird
300 Hermit Thrush
3105 American Robin
1006 Varied Thrush
172 Wrentit
31 Northern Mockingbird
14 California Thrasher
140 European Starling
114 American Pipit
[illegible] Cedar Waxwing
2 Orange-crowned Warbler
3[illegible] Yellow-rumped (Myrtle) Warbler
524 Yellow-rumped (Audubon's) Warbler
1401 Yellow-rumped Warbler
297 Townsend's Warbler
1 Palm Warbler
20 Common Yellowthroat
320 Spotted Towhee
753 California Towhee
5 Rufous-crowned Sparrow
83 Savannah Sparrow
231 Fox Sparrow (Sooty)
374 Song Sparrow
30 Lincoln's Sparrow
16 White-throated Sparrow
1510 White-crowned Sparrow
1775 Golden-crowned Sparrow
1 Dark-eyed (Slate-colored) Junco
[illegible] Dark-eyed (Oregon) Junco
620 Dark-eyed Junco
1 sparrow sp.
754 Red-winged Blackbird
6 Tricolored Blackbird
106 Western Meadowlark
360 Brewer's Blackbird
[illegible] Brown-headed Cowbird
30 [illegible] sp.
23 Purple Finch
[illegible] House Finch
[illegible] Pine Siskin
[illegible] [illegible] Goldfinch
[illegible] Lesser Goldfinch
[illegible] [illegible] Sparrow

[illegible] Species
[illegible] Species (17 [illegible])
[illegible] Additional species
[illegible]
[illegible] Observers in field
[illegible] Observer-hours
[illegible] Miles
[illegible] Hours by car
[illegible] Hours by foot
[illegible] Hours by canoe
[illegible] Hours by golf cart
36[illegible] Total Party Hours
2[illegible] Miles by car
4541 Miles by foot
35 Miles by boat
3 Miles by canoe
2 Miles by golf cart
[illegible] Total Party Miles
[illegible]
[illegible] Owling Hours
[illegible] Owling Miles
[illegible] Species - Total
[illegible]

CW [illegible] Count Week, but not on Count Day
Bird species [illegible] not included in the species total are indented and italicized
Unusual species are boldfaced - number and name. High count since 1974 are also boldfaced - numbers [illegible]

ECONOMIC AND WORKFORCE DEVELOPMENT
BASE REUSE & DEVELOPMENT

CITY AND COUNTY OF SAN FRANCISCO
GAVIN NEWSOM, MAYOR

ENTERED
MAR 2007
TREASURE ISLAND DEVELOPMENT AUTHORITY

Memorandum

TO: Treasure Island Development Authority, Board of Directors

FROM: Michael Cohen, Director, Mayor's Office of Base Reuse
Kyri McClellan, Project Manager, Mayor's Office of Base Reuse

RE: AB 1543 (Leno) Treasure Island Transportation Management District Legislation

CC: Eve Bach and Ruth Gravanis

DATE: March 6, 2007

Per your request at the February 14, 2007 TIDA meeting, attached is a copy of AB 1543, legislation authored by Assemblyman Mark Leno regarding the Treasure Island Transportation Management District. The Board of Supervisors' approval of the Treasure Island Development Plan is based on a requirement that state legislation be created providing the necessary authority to implement the transportation program. AB 1543 is enabling legislation that fulfills that requirement.

AB 1543 would allow for the establishment of a Treasure Island Transportation Management Agency with the authority to: impose a congestion pricing fee for specific users (likely only residents), set and collect parking fees (i.e. public meters and on-island garages), and establish a mandatory transit pass program for residents, and certain commercial users (i.e. hotel guests). The proceeds of the programs will establish a reliable source of funding to subsidize public transit (ferries, buses and other programs) serving the island. The bill authorizes the Board of Supervisors to approve the governance structure and the specifics regarding implementation of the Transportation Plan.

The attached legislation is likely to be amended during the course of the legislative process. We expect to amend the bill at its first hearing in the following ways: 1) clarifies TIDA's role in recommending to the Board of Supervisors the establishment of the governance structure and specifics of the implementation of the Transportation Plan, 2) to clarify that the Board of Supervisors may designate itself or another board/agency to serve as the District's governing body, 3) state that the use of the congestion pricing, parking and transit pass fees in accordance with the act provides substantial benefit to the tidelands trust by promoting access to TI by a wide range of local, regional and statewide vistors, and 4) state that an additional goal of the act is to promote multi-model access to Treasure Island for a wide range of local, regional and statewide visitors.

1 DR. CARLTON B. GOODLETT PLACE, ROOM 448, SAN FRANCISCO, CA 94102
(415) 554-6123 VOICE (415) 554-6018 FAX

The City's State Legislative Committee adopted a "support" position for AB 1543 at its February 21, 2007 meeting. At the March 14, 2007 TIDA meeting we will respectfully request that TIDA adopt a support position for AB 1543 as well.

1 DR. CARLTON B. GOODLETT PLACE, ROOM 436, SAN FRANCISCO, CA 94102
(415) 554-6969 VOICE (415) 554-6018 FAX

ASSEMBLY BILL No. 1543

Introduced by Assembly Member Leno

February 23, 2007

An act to add Chapter 9 (commencing with Section 1967) to Division 2.5 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1543, as introduced, Leno. Treasure Island Transportation Management.

Existing law authorizes the City and County of San Francisco to designate the Treasure Island Development Authority as a redevelopment agency under the Community Redevelopment Law for the purpose of converting and redeveloping certain property that formerly constituted the Naval Station Treasure Island.

This bill would enact the Treasure Island Transportation Management Act, and would authorize the board of supervisors of the City and County of San Francisco to designate or create a board or agency to act as the transportation management agency for Treasure Island, defined to also include Yerba Buena Island. The bill would authorize the transportation management agency, pursuant to the terms of a resolution adopted by the board of supervisors, to impose on Treasure Island congestion pricing fees, on-street and off-street parking fees, and a transit pass fee structure. The bill would require the agency to adopt an expenditure plan for the net revenues from the fees, which would be spent on various transportation purposes. The bill would specify the powers and duties of the agency on these and other related matters.

Existing law provides that a local agency may not impose a new tax, permit fee, or other charge for the privilege of using its streets and roads on or after June 1, 1989, except a permit fee for extra legal loads.

This bill would provide that this prohibition does not apply to the congestion pricing fee authorized by this bill.

The bill would make findings and declarations of the Legislature that because of the unique circumstances applicable to Treasure Island, a general statute cannot be made applicable and that therefore enactment of a special statute is necessary.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 9 (commencing with Section 1967) is
2 added to Division 2.5 of the Streets and Highways Code, to read:
3
4 CHAPTER 9. TREASURE ISLAND TRANSPORTATION
5 MANAGEMENT
6
7 1967. This act shall be known and may be cited as the Treasure
8 Island Transportation Management Act.
9 1967.1. The Legislature finds and declares that the purpose of
10 this act is to accomplish all of the following:
11 (a) To facilitate the implementation of an innovative, sustainable
12 transportation plan for the development of Treasure Island that
13 will minimize the impact of Treasure Island development on the
14 traffic on the San Francisco-Oakland Bay Bridge.
15 (b) To develop a comprehensive set of transportation demand
16 management programs to encourage and facilitate transit use and
17 to minimize the impacts of private automobile use on Treasure
18 Island.
19 (c) To create a flexible institutional structure that can set parking
20 and congestion pricing rates, monitor the performance of the
21 system, collect revenues, and direct generated revenues to public
22 transit systems serving Treasure Island.
23 (d) To establish a reliable source of funding for transportation
24 services and programs serving Treasure Island.
25 1967.2. For purposes of this chapter, the following terms have
26 the following meanings:

(a) "City" means the City and County of San Francisco.

(b) "Treasure Island" means Treasure Island and Yerba Buena Island.

(c) "Transportation management agency" means the Treasure Island Transportation Management Agency designated by the board of supervisors of the city pursuant to Section 1967.3.

1967.3. The board of supervisors of the city is hereby authorized to designate a city board or agency that shall act as the transportation management agency. Notwithstanding Chapter 898 of the Statutes of 1997 or any subsequent amendments to that chapter, the transportation management agency shall have the complete power to do any or all of the following pursuant to the terms of a resolution adopted by the board of supervisors:

(a) Establish, impose, and administer automobile congestion pricing fees on Treasure Island and to set those fees in the manner deemed necessary and proper by the transportation management agency to implement the goals set forth in Section 1967.2.

(b) Establish, impose, and administer on-street and off-street parking fees on Treasure Island and to set those fees in the manner deemed necessary and proper by the transportation management agency to implement the goals set forth in Section 1967.2.

(c) Establish, impose, and administer a transit pass fee structure applicable to for-sale housing or rental housing on Treasure Island and on other users of Treasure Island and to set those fees in the manner deemed necessary and proper by the transportation management agency to implement the goals set forth in Section 1967.2.

(d) Undertake studies, performance evaluations, and other mechanisms as it deems necessary and proper to set and amend the congestion pricing, parking, and transit pass fees from time to time.

(e) Collect all revenues generated from the congestion pricing and parking programs and to use all those revenues for the direct expenses related to the operation (including collection and enforcement), maintenance, construction, and administration of the program authorized by this chapter on Treasure Island.

(f) Adopt an expenditure plan at regular intervals for the allocation of all net revenues generated by the program that remain after payment of direct expenses pursuant to subdivision (e) for transportation purposes on Treasure Island, and to take all actions

in furtherance of the expenditure plan, which may include entering into contracts, cooperative agreements, and direct funding for all of the following:

(1) The construction and maintenance of transportation facilities, including the design, preconstruction, and other related costs directly related to Treasure Island.

(2) Transit capital and operational costs for services that directly serve Treasure Island.

(3) Transit impact mitigation measures as adopted from time to time.

(g) Enter into contracts and cooperative agreements with regional or state agencies to the extent deemed necessary and proper by the transportation management agency to implement the goals set forth in Section 1967.2.

(h) Take all other steps as the transportation management agency deems necessary and proper to accomplish the goals set forth in Section 1967.2, pursuant to the authorizing resolution of the board of supervisors adopted pursuant to Section 1967.3.

1967.4. Section 9400.8 of the Vehicle Code shall not apply to any fee imposed by this chapter.

1967.5. The city may bring an action pursuant to Sections 860 to 870, inclusive, of the Code of Civil Procedure to confirm the validity of any resolution adopted by the board of supervisors of the city or the transportation management agency.

SEC. 2. The Legislature finds and declares that because of the unique circumstances applicable to Treasure Island that necessitate an innovative, sustainable transportation plan, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution, and the enactment of a special statute is therefore necessary.

O

Attendance Report: Frequency of Attendance (FOA)

WEEK FM: 02/12/2007 - 02/18/2007

Clubhouse	Cadet (6-9)	Junior (10-12)	Intermediate (13-15)	Senior (16-18)	FOA
Clubwide	2.96	2.40	2.39	2.83	2.74
Columbia Park	2.54	2.46	3.08	2.85	2.61
Ernest Ingold	2.91	2.49	2.31	2.53	2.69
Excelsior	3.43	2.94	2.41	3.00	3.12
Mission	4.11	2.80	3.75	2.00	3.85
Sunnydale	1.76	1.69	1.74	2.33	1.76
Tenderloin	3.30	1.65	2.00	2.91	2.32
Treasure Island	2.94	2.46	3.38	4.40	3.00
Visitacion Valley	1.91	1.25	1.96	2.38	1.93
Hunters Point	3.05	3.08	2.33	2.67	2.93

BOYS & GIRLS CLUBS
OF SAN FRANCISCO

Treasure Island Clubhouse
Winter Programs 2007

TIME/DAY OF WEEK	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
3:30 – 4:30	GAMES ROOM – SRA Soccer Smarts – LC *Snackademic (Jaguars) - HF*	GYM TIME – SRA EAP – LC *First Step (Jaguars) -HF*	BASKETBALL – SRA EAP and Achievement Matters (1st – 3rd) – LC *Snackademic (Panthers) - HF*	GAMES ROOM – SRA EAP – LC 4-4:30 - WhizKidz *Girls Gymnastics - HF*	GYM TIME – SRA Club Tech – LC *Torch Club – HF* SWIMMING – LAVINA & HEATHER
4:30 – 5:00	SNACK and Announcements	SNACK and Announcements	SNACK and Announcements	SNACK and Announcements	SNACK and Awards
5:00 – 6:00	POWER HOUR	POWER HOUR	POWER HOUR	POWER HOUR	X-BOX TOURNEY - SRA Rock the Bay – LC *Club Bank - HF*
6:00 – 7:00	TOURNAMENT OF CHAMAPIONS - SRA Club Tech – LC *Open Art – HF* ***DANCE W/ RAYSHELL***	NUMBER POOL - SRA EAP and Club Tech -LC *Girls Gymnastics - HF*	CLUB JEOPARDY (PANTHERS) - SRA EAP – LC *Open Art - HF* ***DANCE W/ RAYSHELL***	NUMBER POOL - SRA EAP and Achievement Matters (4th- up) – LC *First Step - HF*	**CLUB CLOSES AT 6:00pm**
7:00 – 8:00			KEYSTONE (PUMAS)	TEEN NIGHT (PUMAS)	TEEN NIGHT (PUMAS)

SRA – Social Recreation and Athletics – Omar Flenoid ♥ LC – Learning Center – Jennifer Cotter ♥ *HF – Health and Fitness – Lauren Cox*

CLUBHOUSE HOURS: MONDAY - THURSDAY - 3:30-7:00PM
FRIDAY - 3:30-6:00PM
TEEN NIGHT: WED., THUR., & FRI., 7:00-9:00PM

TREASURE ISLAND CLUBHOUSE * 401 13TH AVE. & E STREET * ROOM 19 * 415-362-1383

ENTERED
MAR 2007
TREASURE ISLAND DEVELOPMENT AUTHORITY

March 6, 2007

Ms. Mirian Saez
Executive Director
Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
SF., CA 94130

SENT VIA FACSIMILE TO (415) 274-0299

Reference: Treasure Island Crime Statistics – February 2007

Dear Ms. Saez:

There were twenty-one incident reports filed with the San Francisco Police Department about occurrences on Treasure Island and Yerba Buena Island during the month of February 2007. Please see Attachment A for specific information.

Please Contact me at (415) 553-9154 or at Denis.O'Leary@sfgov.org if you have any questions.

Sincerely,

Denis F. O'Leary
Captain – Southern Station

By: _____
Officer Louis Glaser
Southern Station
(415) 553-7959

ATTACHMENT A

OCC. DATE	REP. DATE	LOCATION	TYPE	COMMENTS	CASE NUMBER
2/3/2007	2/3/2007	1200 blk F Dr.	Arson	1 booked	070122941
2/3/2007	2/5/2007	1400 blk Flounder Ct.	False Report	Suspect known	070129618
2/2/2007	2/6/2007	200 blk Ave M	Burglary, Warehouse	Suspect unknown	070132796
2/7/2007	2/7/2007	California @ Ave I	Warrant Arrest	1 booked	060409282
2/7/2007	2/7/2007	Ave of the Palms	Lost Property		070141402
2/9/2007	2/9/2007	1100 blk Ozbourne Ct.	Malicious Mischief	Suspect known	070143975
2/14/2007	2/14/2007	Ave of the Palms	Found Property		070163569
2/16/2007	2/16/2007	Address Withheld	Missing juvenile		070172930
2/16/2007	2/16/2007	1400 blk Flounder Ct.	Battery	Suspect known	070172645
2/19/2007	2/19/2007	5th St. @ D St.	suspicious Vehicle		070181191
2/12-02/13	2/19/2007	600 blk H St.	Malicious Mischief		070181765
02/16-02/17	2/20/2007	600 blk 8th St.	Burglary, no-residential	Suspect unknown	070184888
2/19/2007	2/20/2007	1400 blk Sturgeon St.	Battery	Suspect known	070185626
2/16/2007	2/16/2007	100 blk Ozbourn Ct.	Burglary, Residence	Suspect unknown	070173358
2/23/2007	2/23/2007	300 blk 9th St. (T.I.)	Burglary, Store	Suspect unknown	070199558
2/23/2007	2/23/2007	1300 blk Gateview Av	Burglary, Residence	Suspect unknown	070179079
2/24/2007	2/24/2007	Ave M @ California Av	Assault, W/Caustic Chemical	Suspect unknown	070198431
02/23-02/24	2/24/2007	1400 blk Stripped Bass	Malicious Mischief	Suspect unknown	070551061
02/21-02/22	2/26/2007	4th St. (T.I.)	Burglary, no-residential	Suspect unknown	070205359
2/26/2007	2/26/2007	1200 blk Mariner Dr.	Burglary, Hot Prowl	Suspect unknown	070207747
02/23-02/24	2/27/2007	400 blk Ave of the Palms	Malicious Mischief	Suspect unknown	070208767

Part 1 Crimes February, 2007

Assult 3	Robbery	Homicide	Arson 1	
Burglary 7	Sex Offenses	Vehicle Theft	Larceny 2	Total 13

TRE[illegible]'RE ISLAND EVENT CALENDAR 3/07/2007

DATE	TYPE	LOCATION	EVENT	START	END	GUESTS
10 May 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
12 May 07	Prom	Building 1	Ygnacio Valley High School	12PM	2AM	400
12 May 07	Wedding	Casa de la Vista	Corey Nordstrom/Chris Leaverton	12PM	12AM	170
13 May 07	Wedding	Casa de la Vista	Hugh Groman/Noah Guyn	10AM	6PM	225
17 May 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
18 May 07	Wedding	Casa de la Vista	Noel Eckert/Jonathon Owens	5PM	1AM	130
19 May 07	Wedding	Casa de la Vista	David Martin/Susana L'Riccie	12PM	11PM	120
19 May 07	Party	Building 1/Chapel	Jody LeWitter	2PM	12AM	300
24 May 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
25 May 07	Wedding	Casa de la Vista	Debbie Grewal	4PM	12AM	180
26 May 07	Wedding	Casa de la Vista	Lisa Ramlochan/Victor Forero	3PM	11PM	80
27 May 07	Wedding	Casa de la Vista	Jennifer Semien/Craig Copeland	5PM	2AM	125
31 May 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
02 Jun 07	Wedding	Chapel/Casa	Nicole McCoy/Stephen Williams	12PM	9PM	150
09 Jun 07	Wedding	Chapel	Denise Yee/Philip Tacata	12PM	4PM	225
09 Jun 07	Wedding	Casa de la Vista	Johanna Burgess/Joseph Hart	4.30PM	12.30AM	150
15 Jun 07	Wedding	Casa de la Vista	Cynthia Gonzales/Benjamin Kordich	5PM	1AM	150
16 Jun 07	Wedding	Casa de la Vista	Margaret Ziemianek/Michael Zimmer	4PM	12AM	150
17 Jun 07	Wedding	Chapel/Casa	Gerlyn Neau	2PM	10PM	150
22 Jun 07	Wedding	Casa de la Vista	Danelle delos Santos/David Curtner	1PM	10PM	160
22 Jun 07	Sport/Fundraiser	Great Lawn	Sports 4 Kids	8AM	8PM	300
23 Jun 07	Sport/Picnic	H Ave & 6th St Picnic	SF Fog Rugby Football Club	9AM	5PM	250
23 Jun 07	Wedding	Chapel/Casa	Sandra Renee Curtain/Joe Vivas	3PM	11PM	150
24 Jun 07	Wedding	Casa de la Vista	Taste Catering			100
30 Jun 07	Wedding	Chapel/Casa	Martha Mueller/George Cook	2PM	1AM	100
01 Jul 07	Wedding	Chapel/Casa	Jason Silvey/Paula Simac	1PM	2AM	125
04 Jul 07	Party	Casa de la Vista	Everything Audio Visual	2PM	12AM	150
06 Jul 07	Party	Casa de la Vista	Dede Yekrangi	6PM	2AM	120
07 Jul 07	Wedding	Chapel/Casa	Amy Beshears/Sumit Yadav	2PM	1AM	100

TREASURE ISLAND EVENT CALENDAR

3/6/2007

DATE	TYPE	LOCATION	EVENT	START	END	GUESTS
08 Mar 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
10 Mar 07	Wedding	Chapel	Jeanie Low	1PM	4PM	150
15 Mar 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
3/15&3/16	Meeting	Casa de la Vista	Landor Associates	7AM	5PM	75
17 Mar 07	Wedding	Chapel	Cynthia Lew/Robert Chiu	1PM	4PM	250
17 Mar 07	Fundraiser	Casa de la Vista	Parents Association of Renaissance School	4PM	12AM	150
22 Mar 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
24 Mar 07	Wedding	Great Lawn	Justine Miner/Dean Castelli			200
24 Mar 07	Party	Casa de la Vista	The Psychotherapy Institute	2.30PM	10.30PM	200
25 Mar 07	Wedding	Casa de la Vista	Kai Jackson/Kwofi Reed	2PM	10PM	150
29 Mar 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
30 Mar 07	Party	Casa de la Vista	Sumandeep Khalon	6PM	2AM	150
31 Mar 07	Wedding	Chapel/Casa	Michelle Shiiba/Tony Guariadi	1.30PM	11.30PM	180
05 Apr 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
07 Apr 07	Wedding	Chapel/Casa	Donna Eng/Tom Schmidt	3:00PM	11:00PM	150
12 Apr 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
14 Apr 07	Wedding	Casa de la Vista	Gabby Borlongan/Michael Elma	3PM	11PM	110
14 Apr 07	Fundraiser	Bldg 1 Parking Lot	San Francisco Architectural Heritage	6PM	12AM	600
19 Apr 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
21 Apr 07	Prom	Building 1	The Event Group-Lincoln	12PM	2AM	700
21 Apr 07	Wedding	Chapel/Casa	Joan Lindenstruth/Isao Yagi	4.30PM	12.30AM	100
22 Apr 07	Wedding	Casa de la Vista	Chris Potter/Micol Cavallacci	4PM	12AM	150
26 Apr 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
28 Apr 07	Prom	Building 1	Hillsdale High School	4PM	1AM	500
28 Apr 07	Wedding	Chapel/Casa	Ashley Agustin/Joeseph Scripilliti	3.30PM	12AM	180
29 Apr 07	Wedding	Chapel/Casa	Carol Underwood	11AM	9PM	180
03 May 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
05 May 07	Wedding	Chapel/Casa	Molly Phelps/Kevin Dame	4PM	12AM	140
05 May 07	[illegible]om	Building 1	Cassandra Gr[illegible]onsulting/Pittsburg High	4PM	1AM	[illegible]

AGENDA ITEM 8(b)
Treasure Island Development Authority
City and County of San Francisco
Meeting of March 14, 2007

Subject: Resolution Authorizing the Twentieth Amendment to the South Waterfront Master Lease with the United States Navy to Delete Building 96 from the Premises.

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

On September 4, 1998, the Authority entered into a Lease Agreement Number N6247498RP00P99 with the United States Navy ("the South Waterfront Master Lease"). The Lease Premises include the Administration Building, Building 180 (California Logistics), Hangar Two (Island Creative), Hangar 3, Building 96 among other properties.

The US Navy has identified Building 96 located at 5th Street and Avenue N as a site that requires remediation. Therefore, the Navy requires return of the building to exclusive control of the Navy and removal of the building from the list of buildings suitable for sublease.

This Amendment will delete Building 96 from the Premises of the South Waterfront Master Lease, effective the date of execution of the amendment by the US Navy.

RECOMMENDATION

Project staff recommends approval of the Resolution to delete Building 96 from the Premises under the South Waterfront Master Lease for remediation purposes.

EXHIBITS

A. Twentieth Amendment to Land and Structures Master Lease
B. Drawing showing location of Building 96

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations

[Amendment to South Waterfront Master Lease]

Authorizing the Twentieth Amendment to the South Waterfront Master Lease between the Authority and the Navy to delete Building 96 from the Premises.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated September 4, 1998, for the Authority to use and rent out certain land and buildings in certain areas of Treasure Island pursuant to the terms and conditions of Navy Lease Agreement N6247498RP00P99 (the "South Waterfront Master Lease") at no rent; and,

WHEREAS, The South Waterfront Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The Navy wishes to delete a certain building known as Building 96 from the premises of the Master Lease to allow the Navy to perform remediation activities; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into an amendment to the South Waterfront Master Lease in substantially the form attached hereto as Exhibit A to delete Building 96 from the premises of the South Waterfront Master Lease as described above and set forth in further detail in Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on March 14, 2007.

_____

John Elberling, Secretary

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TWENTIETH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES**, Delete the following:

   "Building 96 (26,083 square feet)"

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

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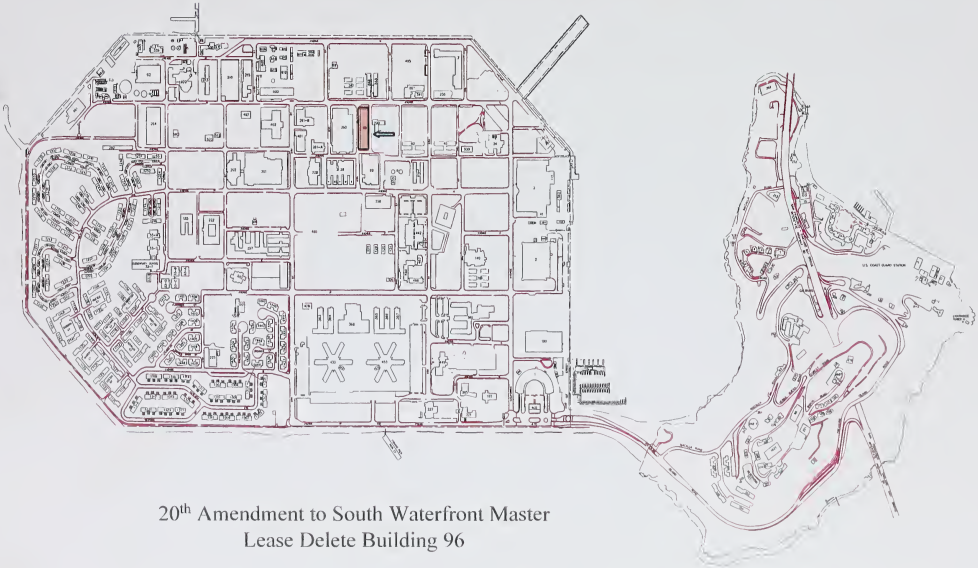

20th Amendment to South Waterfront Master Lease Delete Building 96

AGENDA ITEM 8(c)
Treasure Island Development Authority
City and County of San Francisco
Meeting of March 14, 2007

Subject: Resolution Authorizing the Nineteenth and Twenty-First Amendments to the Land and Structures Master Lease with the United States Navy for Property on Treasure Island to Add Buildings and Vacant Lots to the Premises. (Consent Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

On November 19, 1999, the Authority entered into a lease agreement with the United States Navy for Navy Lease Agreement N6247499RP42P12, the Land and Structures Master Lease. The lease premises consist of land and structures throughout Treasure Island, including the Little League Baseball field and the Rubicon Corporation Yard, among others.

Project staff has requested the addition of certain lands and structures to the Land and Structures Master Lease both to reflect current use of the properties and to improve management of the properties for the benefit of the community and the project. The Nineteenth Amendment to the lease will add one and one-half acres of land to the premises. The Twenty-First Amendment to the lease will add an additional one and one-half acres as well as certain structures to the premises.

Nineteenth Amendment

The Nineteenth Amendment to the lease will add a lot containing approximately one and one-half acres of vacant land to the premises. This vacant lot is bounded by 13th Street, Avenue E and Avenue H. It is immediately south of and adjacent to the residential communities on Treasure Island.

Twenty First Amendment

The Twenty First Amendment to the lease will return the Brig, the Brig Annex, the Life Learning Academy, the Gymnasium, and the meeting hall known as the Ship Shape to lease premises under control of the Authority. These facilities were included in the premises of Navy Lease – N6247499RP00B08, the Police Academy/Sheriff Lease, which expired on December 31, 2004. Additionally, the amendment would add both the RV Shed, containing approximately Fifty Eight Thousand (58,000) square feet and the Gas Station containing approximately Four Thousand (4,000) square feet to the Premises. Both of these buildings have been identified as having potential to generate revenue. Lastly, the amendment will add a lot containing approximately

one and one-half acres of vacant land to the premises, bounded by Avenue E, Avenue H, 11th Street and 12th Street.

The addition of the lots described in these amendments to the Land and Structures sublease will result in a large consolidated lot, suitable for a variety of interim uses, including resident and guest parking.

The Navy has agreed to project staff requests to add these premises to the Land and Structures Master Lease. The addition of these premises will provide project staff the opportunity to generate additional revenue and to effectively manage these assets for the benefit of the Treasure Island community.

RECOMMENDATION

Approve the project staff recommendation to authorize the Director of Island Operations to execute the Nineteenth and the Twenty-First Amendments to Navy Lease Agreement N6247499RP42P12 to add land and buildings to the Land and Structures Master Lease with the US Navy.

EXHIBITS

A. Twenty First Amendment to Navy Lease Agreement N6247499RP42P12
B. Nineteenth Amendment to Navy Lease Agreement N6247499RP42P12
C. Drawing showing land and buildings to be added to Premises

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations

[Amendment to Land and Structures Master Lease]

Resolution Authorizing the Nineteenth and Twenty-First Amendments to the Land and Structures Master Lease between the Authority and the Navy to Add Additional Land and Buildings to the Lease Premises.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated November 19, 1998, for the Authority to use and rent out certain land and structures in certain areas of Treasure Island (the "Land and Structures Master Lease") at no rent; and,

WHEREAS, The Land and Structures Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The addition of one and one-half acres of vacant land to the lease premises under control of the Authority in accord with the terms and conditions described in the Nineteenth Amendment to the Land and Structures Master Lease would be of benefit to the Project; and

WHEREAS, The addition of the Brig, the Brig Annex, the Life Learning Academy, the Gymnasium, and the meeting hall known as the Ship Shape, the RV Shed, the Gas Station and a lot containing approximately one and one-half acres of vacant land to the lease premises under control of the Authority in accord with the terms and conditions described in the Twenty-First Amendment to the Land and Structures Master Lease would be of benefit to the Project; and

WHEREAS, The Navy concurs with such addition of land and structures to the premises; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into two amendments to the Land and Structures Master Lease in substantially the form attached hereto as Exhibit A, the "Nineteenth Amendment To Lease Agreement N6247499RP42P12 Between the United States of America and the Treasure Island Development Authority" and Exhibit B, the "Twenty First Amendment To Lease Agreement N6247499RP42P12 Between the United States of America and the Treasure Island Development Authority."

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on March 14, 2007.

_____
John Elberling,
Secretary

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NINETEENTH AMENDMENT
TO LEASE AGREEMENT N6247499RP42P12
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____ 2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 19 November 1998, entered into Lease Agreement N6247499RP42P12 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247499RP42P12 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES**, Add the following:

   Use of the vacant lot on 13th Street bordered by Avenue E and Avenue H, as shown on Lease Exhibit A-7, attached hereto.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

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TWENTY FIRST AMENDMENT
TO LEASE AGREEMENT N6247499RP42P12
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 19 November 1999, entered into Lease Agreement N6247499RP42P12 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247499RP42P12 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES** add the following:

"Use of Buildings 216, 229, 330, 402, 497, 670, 671 and the vacant lot bordered by Avenue E and Avenue H and 11th and 12th Street"

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA

_____

Title_____

TREASURE ISLAND DEVELOPMENT AUTHORITY

_____

Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

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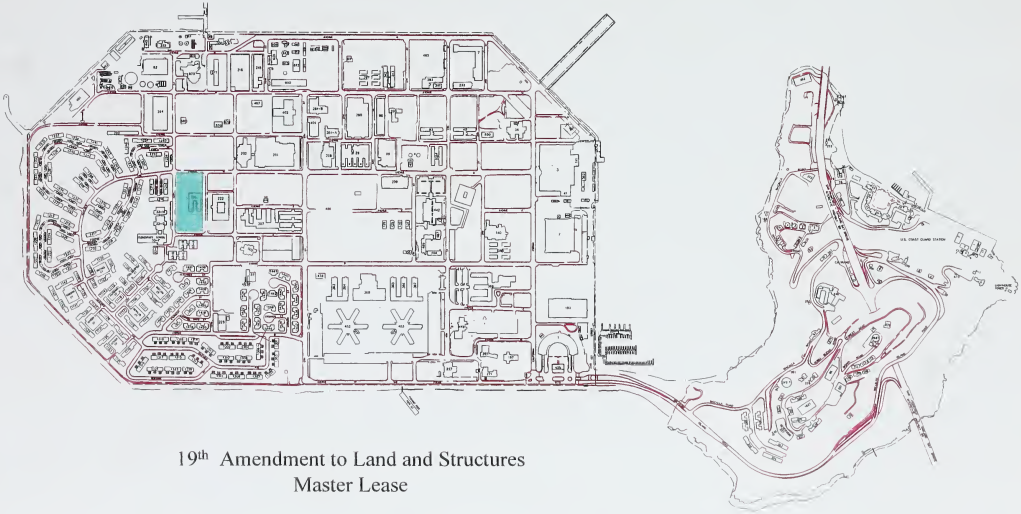
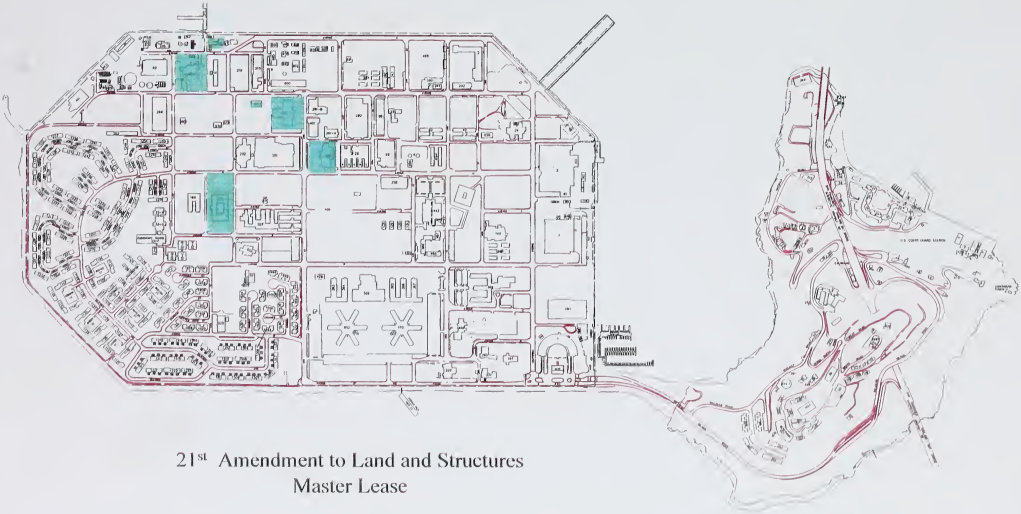


19th Amendment to Land and Structures
Master Lease



21st Amendment to Land and Structures
Master Lease

AGENDA ITEM 8(d)
Treasure Island Development Authority
City and County of San Francisco
Meeting of March 14, 2007

Subject: Resolution Authorizing the Thirteenth Amendment to the Treasure Island Housing Master Lease with the United States Navy to Delete a Vacant Lot from the Premises. (Consent Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

On March 17, 1999, the Authority Board entered into a lease agreement with the United States Navy for Navy Lease Agreement N6247499RP00B05, the Treasure Island Housing Master Lease. The lease premises consist of certain residential buildings and surrounding areas on Treasure Island and Yerba Buena Island that are suitable for sublease as residential units.

On December 15, 2005, the Authority Board approved Resolution Number 05-49-12/14 authorizing an amendment to the Treasure Island Housing Master Lease to add a vacant lot bounded by 13th Street, Avenue E, 12th Street and Avenue H consisting of one and one-half (1.5) acres to the premises described in the Treasure Island Housing Master Lease. The Authority Board further authorized project staff to negotiate an amendment to the sublease between the John Stewart Company and the Authority (the "JSCO Sublease") to convert the vacant lot to vehicle parking for residents. Subsequently, project staff did not negotiate conforming amendments to the JSCO Sublease.

This lot, in combination with adjacent vacant lots, has been identified as a potential source of revenue and community benefits for the Treasure Island community. Uses currently under consideration range from using a portion of the combined lots for resident and guest parking through utilization of the lots as playing fields or commercial storage. Based on this information project staff has asked the Navy for permission to delete this vacant lot from the premises of the Treasure Island Housing Master Lease. At the same time, project staff has requested addition of the vacant lot to the premises of Navy Lease Agreement N6247499RP42P12, the Land and Structures Master Lease. The Navy has agreed to delete this vacant lot from the Treasure Island Housing Master Lease and to incorporate the vacant lot into the premises of the Land and Structures Master Lease. Incorporation of this lot and other premises into the Land and Structures Master Lease will be presented to the Board as a separate agenda item.

RECOMMENDATION

Approve project staff recommendation to authorize the Director of Island Operations to execute the Thirteenth Amendment to Navy Lease Agreement N6247499RP00B05 to delete a vacant lot adjacent to the Treasure Island residential community from the Treasure Island Housing Master Lease.

EXHIBITS

A. Thirteenth Amendment to Lease Agreement N6247499RP00B05
B. Drawing showing location of vacant lot to be deleted from Premises

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations

[Amendment to Treasure Island Housing Master Lease]

Resolution Authorizing the Thirteenth Amendment to the Treasure Island Housing Master Lease between the Authority and the Navy to Delete Vacant Land from Premises.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated March 17, 1999, for the Authority to use and rent out certain land and structures in certain areas of Treasure Island (the "Treasure Island Housing Master Lease") at no rent; and,

WHEREAS, The Treasure Island Housing Master Lease enables the Authority to sublease portions of the master leased area for interim residential uses and to generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, On December 15, 2005, the Authority Board approved Resolution Number 05-49-12/14 authorizing an amendment to the Treasure Island Housing Master Lease to add a vacant lot bounded by 13th Street, Avenue E, 12th Street and Avenue H consisting of a total of one and one-half acres to the premises and further directed project staff to negotiate an amendment to the sublease between the John Stewart Company and the Authority (the "JSCO Sublease") to convert the vacant lot to vehicle parking for residents; and,

WHEREAS, Project staff did not negotiate conforming amendments to the JSCO Sublease in anticipation of developing the vacant lot for uses with greater value to the project; and,

WHEREAS, The Authority wishes to delete the vacant lot from the premises of the Treasure Island Housing Master Lease; and,

WHEREAS, The Navy concurs with such deletion of the vacant lot from the premises; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into an amendment to the Treasure Island Housing Master Lease in substantially the form attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on March 14, 2007.

_____

John Elberling, Secretary

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THIRTEENTH AMENDMENT
TO LEASE AGREEMENT N6247499RP00B05
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 17 March 1999, entered into Lease Agreement N6247499RP00B05 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247499RP00B05 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES**, Delete the following:

   Use of the vacant lot on 13th Street bordered by Avenue E and Avenue H, as shown on Lease Exhibit A-7, attached hereto.

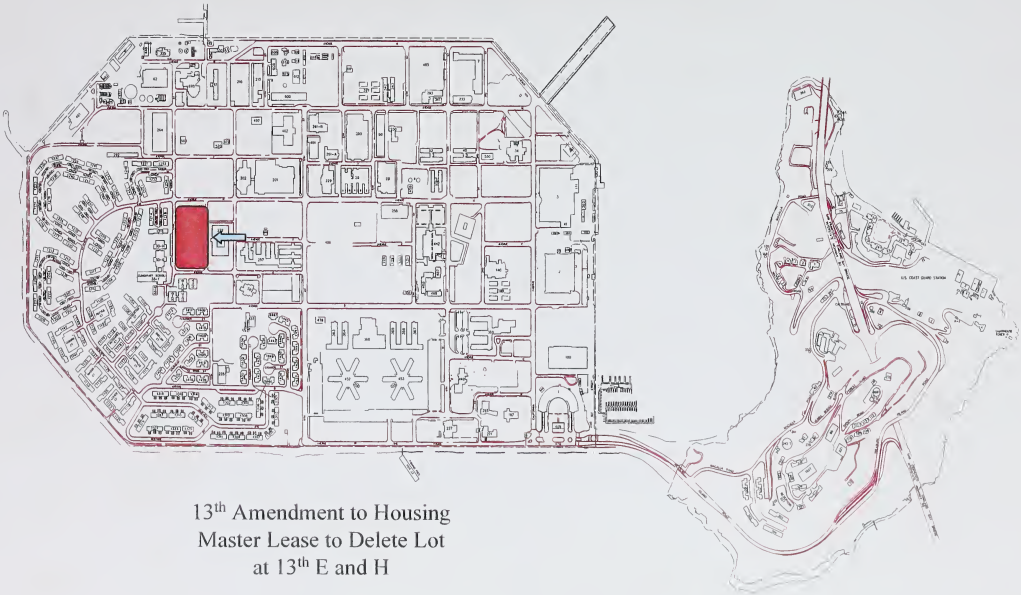
All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY



13th Amendment to Housing
Master Lease to Delete Lot
at 13th E and H

AGENDA ITEM 8 (e)
Treasure Island Development Authority
City and County of San Francisco
Meeting of March 14, 2007

Subject: Resolution Authorizing the Seventeenth Amendment to the Land and Structures Master Lease with the United States Navy to Retroactively Allow American Civil Constructors to Store Certain Materials on the Premises. (Consent Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

American Civil Constructors ("ACC") was a subtenant to the Authority from March 5, 2006 through November 18, 2006. They occupied 28,187 square feet in Building 201 and two acres of land across the street from Building 201 (the "Sublease Premises"). The Sublease Premises are included within the premises leased to the Authority under Lease Agreement N6247499RP42P12 dated November 19, 1998, the Land and Structures Master Lease. As a contractor to Caltrans, ACC provided deck repaving services for repair of western Bay Bridge span.

During their tenancy, ACC stored resins and other hazardous materials on the Sublease Premises that were essential to their work. These materials were stored in metal tankers surrounded by berms until they were taken to the bridge site where they were mixed with concrete to make the polyester concrete that became the deck replacement. The storage of hazardous materials is not permitted under the Land and Structures Master Lease without the Navy's consent and ACC had not obtained the Navy's consent.

On September 27, 2006, project staff reported this violation of the Land and Structures Master Lease to the Board. In response to a demand by project staff to remove the materials, ACC secured a commitment from the Navy to amend the Land and Structures Master Lease to allow ACC to store these hazardous materials on the Island for the purpose of completing the Caltrans project.

The Navy has delivered a copy of an amendment to the Master Lease to memorialize that the Navy allowed ACC and only ACC to store hazardous materials on the Sublease Premises to support the California Department of Transportation resurfacing of the San Francisco-Oakland Bay Bridge project. The Navy requests approval of this amendment.

Upon expiration of ACC's Sublease, the Sublease Premises were inspected for residual hazardous materials by the US Navy, the San Francisco Department of Health and the San Francisco Fire Department. After the inspection, each agency concluded that no hazardous materials remained on the Sublease Premises.

RECOMMENDATION

Approve project staff recommendation to authorize the Director of Island Operations to execute the Seventeenth Amendment to the Land and Structures Master Lease with the United States Navy to Retroactively allow American Civil Constructors to Store Hazardous Materials on the Premises

EXHIBITS

Seventeenth Amendment to Lease Agreement N6247499RP42P12 Between the United States of America and Treasure Island Development Authority

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations

[Amendment to Land and Structures Master Lease]

Resolution Authorizing the Seventeenth Amendment to the Land and Structures Master Lease with the United States Navy to Retroactively allow American Civil Constructors to Store Certain Materials on the Premises.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated November 19, 1998, for the Authority to use and rent out certain land and structures in certain areas of Treasure Island (the "Land and Structures Master Lease") at no rent; and,

WHEREAS, The Land and Structures Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

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WHEREAS, On March 8, 2006, the Board approved a Sublease with American Civil Constructors ("ACC") for the rental of 28,187 square feet in Building 201 plus 2 acres of land; and,

WHEREAS, ACC entered into the Sublease to support their execution of a pavement contract with the California Department of Transportation (Caltrans) in its renovation of the San Francisco-Bay Bridge; and,

WHEREAS, In violation of the terms and conditions of the Land and Structures Master Lease, ACC stored hazardous materials on the premises; and,

WHEREAS, In response to a demand by project staff to remove the materials, ACC secured a commitment from the Navy to amend the Master Lease to allow ACC to store these hazardous materials on the Island for the purpose of completing the Caltrans project and the Board was informed of this action at its regular meeting of September 27, 2006; and,

WHEREAS, The subtenancy for ACC has expired and upon expiration of the sublease the premises were inspected by the US Navy and the City of San Francisco and it was determined that no hazardous materials remained on the premises; and,

WHEREAS, The Navy has delivered a copy of an amendment to the Land and Structures Master Lease to memorialize that the Navy did allow ACC and only ACC to store hazardous materials on the premises to support the California Department of Transportation resurfacing of the San Francisco-Oakland Bay Bridge project; and,

WHEREAS, The Navy supports approval of this amendment; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to execute an amendment to the master lease, in substantially the form attached as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on March 14, 2007.

_____
John Elberling, Secretary

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SEVENTEENTH AMENDMENT
TO LEASE AGREEMENT N6247499RP42P12
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2006, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 19 November 1998, entered into Lease Agreement N6247499RP42P12 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247499RP42P12 are hereby amended to reflect the following changes;

1. The following Special Provision is added:

   34.18 For the sole purpose of the sublease agreement with American Civil Constructors (ACC) for storage of material to support the California Department of Transportation resurfacing of the San Francisco-Oakland Bay Bridge, the Secretary of the Navy has determined that the storage, treatment and disposal of toxic or hazardous materials on the Leased Premises, subject to the terms and conditions of this Lease, meets the criteria of 10 U.S.C. §2692(b) (9) and (10).

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

AGENDA ITEM 8(f)
Treasure Island Development Authority
City and County of San Francisco
Meeting of March 14, 2007

Subject: Resolution Authorizing the Fifteenth Amendment to the Event Venues Master Lease with the United States Navy to Add Quarters Two and Quarters Three to the Premises. (Consent Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

On September 4, 1998, the Authority entered into a lease agreement with the United States Navy for Navy Lease Agreement N6247498RP00Q03, the Event Venues Master Lease. The lease premises include Quarters One on Yerba Buena Island and Building 271 (Casa de la Vista), Building 187 (the Chapel), and the Great Lawn on Treasure Island. A wide variety of activities are held in the venues available to the Authority through this Master Lease.

Project staff issues Use Permits for the use of Quarters One for a variety of activities. The venue has been used for parties, receptions and other events. Over the years, it has been used as a location for photo shoots for the catalogs of major retailers, including Cost Plus, Inc., Pottery Barn, Inc., and Williams Sonoma, Inc. This venue has been successful and has led to increasing requests to use Quarters Two and Quarters Three as additional locations for photo shoots and other events. Currently, project staff must secure a permit from the Navy prior to issuing a Use Permit for the use of Quarters Two and Three. The administrative burden and time associated with securing permission from the Navy for each use has led project staff to conclude that inclusion of these buildings in the Event Venues Master Lease will allow for more efficient and expeditious administration of the Authority's Use Permits.

The Navy has agreed to the request of project staff to add Quarters Two and Three to the Event Venues Master Lease. The addition of these buildings to the premises will provide project staff the opportunity to generate additional revenue and to effectively manage these assets for the benefit of the Treasure Island community.

RECOMMENDATION

Approve project staff recommendation to authorize the Director of Island Operations to execute the Fifteenth Amendment to the Event Venues Master Lease adding Quarters Two and Quarters Three to the premises.

EXHIBITS

A. Fifteenth Amendment to the Event Venues Master Lease
B. Drawing showing Quarters to be added to Premises

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations

[Amendment to Events Venue Master Lease]

Resolution Authorizing the Fifteenth Amendment to the Event Venues Master Lease with the United States Navy to Add Quarters Two and Quarters Three to the Premises.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated September 4, 1998, for the Authority to use and rent out certain land and structures in the Events Venue area of Treasure Island and Yerba Buena Island (the "Events Venue Master Lease") at no rent; and,

WHEREAS, The Events Venue Master Lease enables the Authority to sublease portions of the master leased area for interim uses and to generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, There have been requests from the public for use of the Quarters Two and Three for a variety of activities; and,

WHEREAS, The opportunity to generate additional revenue and to effectively manage these assets for the benefit of the Treasure Island community will be improved by the addition of Quarters Two and Three to the premises of the Events Venue Master Lease; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to execute an amendment to the Events Venue Master Lease, in substantially the form attached as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on March 14, 2007.

_____

John Elberling, Secretary

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FIFTEENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00Q03
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this ____day of_____ _____2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00Q03 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00Q03 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES**, Add the following:

   "Quarters 2 (4,985 square feet), Quarters 3 (3,901 square feet), along with adjacent parking and immediate grounds."

2. Paragraph 34 **SPECIAL PROVISIONS,** Add the following:

   34.4 Lessee acknowledges receipt of the "Memorandum of Agreement between the Department of the Navy and the California State Historic Preservation Officer for the Layaway, Caretaker Maintenance, Interim Leasing, Sale, Transfer, and Disposal of historic Properties on the Former Naval Station Treasure Island, San Francisco, California" dated June 2, 2003 (MOA). Lessee shall comply with Stipulation V of the MOA during its use of the Property.

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA TREASURE ISLAND DEVELOPMENT AUTHORITY

_____ _____

Title_____ Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

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Fifteenth Amendment to Events and

AGENDA ITEM 10
Treasure Island Development Authority
City and County of San Francisco
Meeting of March 14, 2007

Subject: Resolution Authorizing an Amendment of an Additional $121,070 to the Agreement with the San Francisco Transportation Authority for Administration of an Engineering Contract to Complete a Project Study Report for Replacement of Yerba Buena Island Ramps for an amount not to exceed $496,070. (Action Item)

Contact Michael Cohen, Director of Base Reuse and Development
Kyri McClellan, Project Manager, Base Reuse and Development

Phone (415) 554-6969

BACKGROUND

The designs for the Eastern Span Seismic Safety Project of the Bay Bridge ("Eastern Span") include one new ramp from Yerba Buena Island onto the bridge in the eastbound direction. The three other existing ramps are intended to be reconnected to the new span in their current configuration.

In recognition of the need for ramps that meet modern safety and design standards, in October 2003 the Mayor of San Francisco and Director of Caltrans executed a Memorandum of Understanding regarding on and off-ramps between Yerba Buena Island and the new Eastern Span. The MOU among other things, states that the City and Caltrans agreed to:

- Seek and support any legislative changes that may be necessary to provide for State ownership of all connections to the Eastern Span, and
- That the State will ensure that there are safe and reliable connections between the Eastern Span and Yerba Buena Island in both eastbound and westbound directions, consistent with State design standards.

Senate Bill 163 (Migden), introduced this month, which succeeds SB 1841 (Migden) from last session, is the legislative vehicle which adds the existing ramp connections to the Eastern Span to the State Highway System. The legislation also confirms the development of a Project Study Report (PSR), which will identify the preferred designs for four new ramp connections from the Eastern Span to Yerba Buena Island. It is imperative to complete the PSR so that the new ramp designs can be incorporated into the planning and construction schedules for the Eastern Span. As the Congestion Management Agency for the County of San Francisco, the San Francisco County Transportation Authority (SFCTA) is the customary lead agency for PSRs on facilities that are part of or affect the State Highway System.

In November voters approved State Proposition 1B, which includes funding for "Local Bridge Seismic Retrofit" projects and specifically includes a provision authorizing the use of those funds for "ramp" projects. These state funds would provide a matching source to leverage federal highway funds. Staff is working with the Transportation Authority, Caltrans, and our state lobbyist to coordinate the ramps replacement project's eligibility for both state and federal funding. The identified ramp alternatives and related studies are instrumental in supporting both the state transfer legislation and the effort to attain funding sources.

Project Study Report

The PSR is an engineering document that will evaluate alternative ramp configurations to determine the best alternative for three new ramps connecting Yerba Buena Island to the Eastern Span. The PSR will also estimate the costs of the preferred ramp alternatives, which is necessary to obtain state and federal funding for construction of the ramps. The SFCTA has selected via a competitive process an engineering contractor for the work, DMJM Harris. The contractor will work with the SFCTA, Caltrans, TIDA staff and engineers from Treasure Island Community Development (TICD) as part of the overall project team.

Each PSR is a unique set of studies and reports that Caltrans determines are necessary for a specific project. Although Caltrans signed off on the original PSR scope-of-work for the ramps' replacement, they have come back to DMJM Harris and the SFCTA and required five additional studies including: a Value Analysis, Storm Water Data Report, Right of Way Data Sheet, Fact Sheet for one additional alternative, and a Preliminary Environmental Assessment Report (PEAR). In response to Caltrans' additional requests to complete the PSR, on January 29, 2007, DMJM Harris sent a letter indicating the level of scope and budget that would be required to conduct the additional work. Their letter indicates an amendment of $96,856 to their contract to cover the costs associated with additional PSR tasks required by Caltrans (Exhibit A). An additional $24,214 will be necessary to cover associated Caltrans and SFCTA staff costs. All costs of agency staff and consultants are billed on a time and materials basis. The total contract amendment is $121,070 .

There are sufficient funds programmed in the professional services line of the TIDA FY 06-07 budget to cover these additional costs. Furthermore, 100 percent of these costs will be reimbursed by TICD under the terms of the Exclusive Negotiating Agreement.

RECOMMENDATION

Staff recommends approving the $121,070 amendment to the agreement with the SFCTA to fund the additional required elements of the PSR.

EXHIBITS

A DMJM Harris January 29, 2007 letter: Yerba Buena Island Ramp PSR Amendment No.1

B. Amended Agreement #A06/07-01A, between TIDA and the SFCTA, for Project Study Report (PSR) for the Replacement of the Yerba Buena Island (YBI) Ramps

[Resolution Authorizing an Amendment to the Agreement with the San Francisco County Transportation Authority for Administration of an Engineering Contract to Complete a Project Study Report for Replacement of Yerba Buena Island Ramps to Revise the Scope of Work and Increase the Contract Amount by $121,070 for a Total Amount Not to Exceed $496,070.]

Resolution Authorizing an Amendment to the Agreement with the San Francisco County Transportation Authority for Administration of an Engineering Contract to Complete a Project Study Report for Replacement of Yerba Buena Island Ramps to Revise the Scope of Work and Increase the Contract Amount by $121,070 for a Total Amount Not to Exceed $496,070.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and

conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California Redevelopment Law (Sections 33000 et seq. of the Health and Safety Code) with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1998; and,

WHEREAS, Currently the United States Navy owns the on- and off-ramp connections to Yerba Buena Island from Interstate 80, the San Francisco-Oakland Bay Bridge, and because Federal law prohibits the Navy from "improving" surplus property, the Navy cannot repair or replace the ramps as part of the transfer of the Base property to the Authority; and,

WHEREAS, Current State designs for the new Eastern Span of the Bay Bridge (Eastern Span) include construction of one new ramp connecting to Yerba Buena Island and reuse of three other existing ramps that do not meet current State design and safety standards; and,

WHEREAS, An October 2003 Memorandum of Understanding between the Authority and the State, acting through Caltrans, indicated that, among other things, (1) the State and City agreed to seek and support any legislative changes necessary to provide for State ownership of all connections to the Eastern Span and (2) the State agreed to ensure that

there are safe and reliable connections between the Eastern Span and Yerba Buena Island in both eastbound and westbound directions, consistent with State design standards; and,

WHEREAS, The Authority is not the appropriate future owner/operator of the ramp connections to Interstate 80, and accordingly, staff has pursued state legislation to cause ownership of the ramps connecting the eastern-side of Yerba Buena Island to Interstate 80 on the Bay Bridge to reside with Caltrans after the ramps are conveyed out of federal ownership; and,

WHEREAS, State Senator Carole Migden has introduced Senate Bill 163 to transfer ownership of the ramps to the State, and Senate Bill 163 also provides for the development of a Project Study Report ("PSR"), which will identify the best design for four new ramp connections from the new eastern span to Yerba Buena Island; and,

WHEREAS, Completion of the PSR on a timely basis is imperative so that the new ramps designs can be incorporated into the new Eastern-Span Replacement Project for the Bridge; and,

WHEREAS, Article V, Section 2(k) of the Authority's Bylaws authorizes the Authority to contract with governmental agencies, including without limitation, any department, commission or agency of the City, for the performance of services in furtherance of and related to the purposes of the Authority; and,

WHEREAS, As the Congestion Management Agency for the County of San Francisco, the San Francisco County Transportation Authority (the "TA") is the customary lead for PSRs on facilities that are part of the State highway system; and,

WHEREAS, At its August 25, 2006 meeting, the Board of Directors approved and authorized the execution of an Agreement with the TA under which the TA will lead the effort to prepare and obtain approval of the PSR, and the TA will be reimbursed for all expenses

relating to completion of the PSR, including reimbursement of TA and Caltrans staff time, in an amount not to exceed $375,000; and,

WHEREAS, Caltrans has requested that additional matters be addressed in the PSR that were not included in the original Caltrans-approved scope of work for the PSR; and,

WHEREAS, Authority staff proposes to enter into an amendment to the Agreement with the TA to revise the scope of work and increase the contract amount by $121,070, for a total amount not to exceed $496,070, in order to perform the additional work requested by Caltrans; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves and authorizes the Director of Island Operations to enter into an amendment to the Agreement with the TA for the preparation of the PSR in substantially the form attached hereto as Exhibit A to revise the scope of work and increase the contract amount by $121,070, for a total amount not to exceed $496,070 and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Agreement that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the PSR, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on March 14, 2007.

_____
John Elberling
Secretary

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DMJM HARRIS | AECOM

DMJM Harris
1330 Broadway Suite 1001, Oakland, CA 94612
T 510.645.4490 F 510.645.4497 www.dmjmharris.com

Mr. Luis Zurinaga
SFCTA
100 Van Ness Ave. Suite 26
San Francisco, CA 94102

January 29, 2007

Subject: **Yerba Buena Island Ramp PSR Amendment No. 1**

Dear Mr. Zurinaga,

DMJM Harris is requesting that SFCTA approve Amendment No. 1 for the subject project. This request, for $96,856, brings the total contract amount to $396,856. We are requesting the amendment in an effort to cover the costs associated with the additional tasks requested by Caltrans.

Our original contract and scope of work covered the work necessary to complete the Project Study Report (PSR). However, our scope of work also assumed a minimal effort for technical studies since Caltrans did most of these in 2002. The list of additional items includes:

Value Analysis – This work will entail hiring a professional Certified Value Specialist (CVS) to lead a workshop to look at ways to reduce the overall cost of the project. A team of six technical specialists in the fields of roadway design, structures, cost/construction, environmental, traffic operations and right of way will be convened for a four day workshop to evaluate the project.

Storm Water Data Report – A storm water data report will be created for the project detailing impacts to the island due to construction of the project and recommend Best Management Practices (BMP) to mitigate the flow of water.

Right of Way Data Sheet - This data sheet will detail all the right of way required for construction including permanent and temporary acquisition. It will also describe all utilities that may be impacted by the project.

Fact Sheet for one additional alternative – Caltrans has required that a fact sheet for exceptions to design standards be prepared for all alternatives in the PSR. The current project has two alternates.

Preliminary Environmental Assessment Report (PEAR) – Our scope of work assumed that the PEAR prepared in 2002 could be used for the YBI Interchange. Caltrans will require that a revised PEAR be prepared to consider all environmental impacts of the construction.

DMJM Harris will complete the majority of the work for this amendment with assistance from Caltrans and our subconsultant Edaw. We have attached the Cost and Price Analysis worksheets for the associated work. Please review the attached documents and contact me at 510 285 2020 with any questions. We are prepared begin work immediately with your notice to proceed.

Sincerely,

Rodney Pimentel, P.E.
Vice President
rodney.pimentel@dmjmharris.com

COST AND PRICE ANALYSIS — SAN FRANCISCO COUNTY TRANSPORTATION AUTHOR

NAME OF CONSULTANT				
DMJM+HARRIS, Inc.		YBI Interchange Project		
Detail Description		Estimated Hours	(Average) Rate/Hour	Total Estimated Cost ($)
1. DIRECT LABOR (Specify) SEE CONTINUATION SHEET				
PROJECT MANAGER		44	$77.00	$ 3,388.00
TECHNICAL DIRECTOR		96	$84.00	$ 8,064.00
PRINCIPAL ENGINEER		0	$60.00	$ -
SR ENGINEER (ROAD)		232	$50.00	$ 11,600.00
ENGINEER (ROAD)		112	$41.00	$ 4,592.00
ENVIRONMENTAL PLANNER		92	$60.00	$ 5,520.00
SENIOR BRIDGE ENGINEER		32	$50.00	$ 1,600.00
ASSOCIATE ENGINEER/CADD TECHNICIAN		0	$37.00	$ -
PROJECT CONTROLS		0	$35.00	$ -
ADMINISTRATIVE ASSISTANT		0	$30.00	$ -
	TOTAL	608		$ 34,764.00
2. INDIRECT COSTS (Overhead,G&A-specify)	Burden Rate	X Base =	Burden ($)	
	138.90%	$ 34,764.00	$ 48,287.20	$ 48,287.20
3. TOTAL DIRECT LABOR AND INDIRECT COSTS (Sum of lines 1 and 2)				$ 83,051.20
4. FIXED FEE OR PROFIT (Specify, applies to line 3 only)	Percent	X Base =	Fee ($)	
	10.00%	$ 83,051.20	$ 8,305.12	$ 8,305.12
	TOTAL			$ 8,305.12
5. OTHER DIRECT COSTS				
Reproduction/mileage, etc.				$ 5,500 00
3% Subconsultant Markup				$ -
Arup				
AGS				
CCS				
6. TOTAL CONTRACT COST CHANGE ORDER (Sum of lines 3, 4 and 5)				$ 96,856.32
7. CURRENT EXECUTED CONTRACT AMOUNT				$ 300,000.00
8. AMENDED AUTHORIZED CONTRACT AMOUNT (Sum of lines 6 and 7)				$ 396,856.32

DATE	SIGNATURE & TITLE OF AUTHORIZED REPRESENTATIVE OF CONSULTANT
January 29, 2007	

TASK	DMJM+Harris										
	Project Manager	Technical Director	Principal Engineer (ROAD)	Senior Engineer (ROAD)	Engineer (ROAD)	Environmental Planner	Senior Bridge Engineer	Assoc. Engineer/ CADD	Project Controls	Clerical/ Admin.	Subtotal DMJM+Harris
PSR extra work											
1. Value Analysis											-
Facilitator	20	96									116
Technical staff				32	32	32	32		0		128
2. Storm Water Data Report											-
Draft	4			80							84
Final	2			40							42
3. Right of Way Data sheet											-
Draft	4			40							44
Final	2			20							22
4. Fact sheet and DIB 78 for new Alt											-
Draft	4				40						44
Final	2				40						42
5. PEAR- Environmental Document											-
Draft	4			20		40					64
Final	2					20					22
QA/QC											-
Subtotal Task 7 - Landscape PS&E	44	96	-	232	112	92	32	-	-	-	608
Totals	44	96	-	232	112	92	32	-	-	-	608

$ 91,356.32
608

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San Francisco County Transportation Authority

100 Van Ness Avenue 26th Floor
San Francisco, California 94102
VOICE 415.522.4800 FAX 415.522.4829
info@sfcta.org www.sfcta.org

AMENDED AGREEMENT # A06/07-01A

for Project Study Report (PSR) for the Replacement of the Yerba Buena Island (YBI) Ramps

THIS AMENDED AGREEMENT is made and shall be effective on the 14th day of March 2007 by and between the **San Francisco County Transportation Authority** (the "Authority"), and the **Treasure Island Development Authority ("TIDA")**.

RECITALS

A. In its capacity as Congestion Management Agency for San Francisco, the Authority has been asked by TIDA to lead the effort to prepare and obtain approval for the Project Study Report ("PSR") for the replacement of the Bay Bridge connector ramps to the east side of Yerba Buena Island, referred to herein as "Project".

B. The Authority and TIDA have an existing Agreement #A06/07-01 effective April 1, 2006, setting forth the respective responsibilities of the Authority and TIDA with respect to completion of the Project.

C. TIDA has requested an amendment to the original scope of work for the Project incorporating additional tasks requested by the California Department of Transportation ("Caltrans").

D. As allowed in Section 6 of Agreement #A06/07-01, the Authority and TIDA wish to modify Agreement #A06/07-01 to reflect the additional tasks and applicable costs for the requested amendment to the original scope of work.

E. The amended Scope of Project is attached hereto as Exhibit A.

F. The Authority will be reimbursed in full for all expenses relating to the completion of this project. Forecast total expenditures are $496,070. The amended Project Budget is attached hereto as Exhibit B.

G. All other terms and conditions of the original Agreement #A06/07-01 remain in effect, except amended as follows:

AGREEMENT

The Authority and TIDA agree to the following:

5. In no event shall the maximum expenditure allowed under this agreement exceed **$496,070**.

7. Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To Authority: **Luz Cofresí-Howe, Deputy Director for Finance and Administration**
San Francisco County Transportation Authority
100 Van Ness Ave., 26th Floor
San Francisco, CA 94102-5244
luz.cofresi-howe@sfcta.org
fax: 415.522.4829

To TIDA: **Kyri McClellan, Project Manager**
Mayor's Office of Base Reuse & Development
City Hall, Room 448
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
kyri.mcclellan@sfgov.org
fax: (415) 554-6018

With copy to: **Director of Island Operations**
Treasure Island Development Authority
Building One, 2nd Floor
Treasure Island
San Francisco, CA 94130
fax: (415) 274-0660

Any notice of default must be sent by registered mail.

IN WITNESS WHEREOF, The parties have executed this AGREEMENT on the date set forth below.

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

Recommended by:

Luz Cofresí-Howe
Deputy Director for Finance & Administration

Approved by:

José Luis Moscovich
Executive Director

TREASURE ISLAND DEVELOPMENT AUTHORITY

Recommended by:

Kyri McClellan, Project Manager
Mayor's Office of Base Reuse and Development

Executed by:

Mirian Saez, Director of Island Operations

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

AGREEMENT # A06/07-01A

EXHIBIT A
Amended Scope of Project

The Authority, together with Caltrans and Consultant, are undertaking the preparation and approval of a Project Study Report (PSR) for the Replacement of the Yerba Buena Island (YBI) Ramps. As Congestion Management Agency for San Francisco, the Authority is the customary lead for PSRs on facilities that are part of or affect the State Highway System. The report will be a necessary document to allow state improvements to the ramps after they are ultimately transferred from the Navy to the State. The Authority will provide oversight of engineering consultant services contracted for this purpose. Work is anticipated to be completed by July 31, 2007. The Project is being funded by the Treasure Island Development Authority (TIDA), which will also participate as part of the Project Development Team.

Task 1. Project Management/Oversight

In this task, the Authority and TIDA will outline a specific work plan, and refine a list of deliverables. This will involve setting tasks, deriving the timeline, outlining the division of responsibilities, and refining the budget for each task.

Subtask	Deliverable (s)	Timeframe
1.1 Develop workplan:	Workplan, Executed MOA with TIDA	April-August 2006
1.2 Meetings	Kick-off, Project	Ongoing (Monthly)
1.3 Reporting/Task Management	Progress and Funding Report	Ongoing (Monthly)
1.4 Invoice review and processing	Approved invoices	Ongoing (Monthly)
1.5 Closeout: Project assessment, archiving, final accounting	Final Report	July 2007

Task 2. Consultant Procurement

In this task, Authority will enter into contract with Consultant to provide professional services to prepare the PSR.

Subtask	Deliverable (s)	Timeframe
2.1 RFP Preparation	RFP	May 2006
2.2 Proposal Solicitation:	Pre-proposal Meeting, RFP Addenda, Response to Bidder Inquiries	May 2006
2.3 Proposal Review: select consultant	Summary of proposal reviews, Interviews	June 2006
2.4 Contract Preparation: negotiate consultant fees, execute a contract with the consultant	Negotiations, Executed Contract	August 2006

Task 3. Caltrans Cooperative Agreement

In this task, Authority will enter into a cooperative agreement with Caltrans for support during the PSR process.

Subtask	Deliverable (s)	Timeframe
3.1 Meeting: Identify roles and responsibilities, prepare estimate of effort.	Meeting summary	June 2006
3.2 Draft Cooperative Agreement	Draft CA	August 2006
3.3 Final Cooperative Agreement	Executed CA	September 2006

Task 4. PSR Preparation

In this task, the Consultant will perform all work related to preparing the PSR.

Subtask	Deliverables	Timeframe
4.1 Project Management	Reports, Invoices	Ongoing (Monthly)
4.2 Project Mapping	Geometrics, Layouts	January 2007
4.3 Draft Project Study Report: Environmental, Traffic, Design	Draft PSR	January 2007
4.3a Additional Tasks	Value Analysis, Storm Water Data Report, Right-of-Way Data Sheet, Fact Sheet for one (1) Additional Alternative, Preliminary Environmental Assessment Report (PEAR)	February 2007-
4.4 Final Project Study Report:	Approved PSR	March 2007

Task 5. PSR Approval

In this task, Caltrans will review the submittals.

Subtask	Deliverables	Timeframe
5.1 Project Management: Coordination, routing of documents, prepare invoices, meetings	Reports, Invoices	Ongoing (Monthly)
5.2 Technical Review Draft Project Study Report	Comments	February 2007
5.3 Technical Review of Draft Final Project Report	Comments	March 2007

AGREEMENT # A06/07-01

EXHIBIT B
BUDGET SUMMARY
Appendix B

	TASK ITEM	Hours	Rate[i]	Cost		Additional Hours	Additional Cost	Total Amended Budget
	Task 1. Project Management/Oversight							
1.1	Develop workplan	55	$55	$3,000			$0	$3,000
1.2	Meetings	95	$55	$5,250		60	$3,300	$8,550
1.3	Reporting/Task Management	103	$55	$5,650		50	$2,750	$8,400
1.4	Invoice review and processing	55	$55	$3,000		16	$880	$3,880
1.5	Closeout: Project assessment, archiving, final accounting	41	$55	$1,100		30	$1,650	$2,750
	Task 2. Consultant Procurement							
2.1	RFP Preparation	40	$75	$3,000			$0	$3,000
2.2	Proposal Solicitation:	40	$75	$3,000			$0	$3,000
2.3	Proposal Review: select consultant	40	$75	$3,000			$0	$3,000
2.4	Contract Preparation: negotiate consultant fees, execute consultant contract	40	$75	$3,000		15	$1,125	$4,125
	Task 3. Caltrans Cooperative Agreement							
3.1	Meeting: Identify roles and responsibilities, prepare estimate of effort	20	$90	$1,800			$0	$1,800
3.2	Draft Cooperative Agreement	60	$90	$5,400		20	$1,800	$7,200
3.3	Final Cooperative Agreement	40	$90	$3,600		10	$900	$4,500
	Task 4. PSR Preparation[ii]							
4.1	Project Management	144	$125	$18,000			$0	$18,000

4.2	Project Mapping	40	$100	$4,000			$0	$4,000
4.3	Draft Project Study Report: Environmental, Traffic, Design	2144	$125	$268,000		775	$96,875	$364,875
4.4	Final Project Study Report:	80	$125	$10,000			$0	$10,000
	Task 5. PSR Approval[iii]							
5.1	Project Management: Coordination, routing of documents, prepare invoices, meetings	80	$90	$7,200		10	$900	$8,100
5.2	Technical Review Draft Project Study Report	220	$90	$19,800		80	$7,200	$27,000
5.3	Technical Review of Draft Final Project Report	80	$90	$7,200		41	$3,690	$10,890
	TOTAL			**$375,000**			**$121,070**	**$496,070**

[i] Rates are estimated. Actual billed rates will vary depending upon classifications.
[ii] Work efforts to be detailed in task orders.
[iii] Work efforts to be detailed in Cooperative Agreement.

AGENDA ITEM 11
Treasure Island Development Authority
City and County of San Francisco
Meeting of March 14, 2007

Subject: **Resolution Supporting AB 1543 (Leno) to Authorize the Formation of the Treasure Island Transportation Management Agency** (Action Item)

Contact Michael Cohen, Director of Base Reuse and Development
Kyri McClellan, Project Manager, Base Reuse and Development

Phone (415) 554-6969

BACKGROUND

Staff is pursing state legislation pertaining to Treasure Island in the current legislative session that is necessary to successfully implement the plan and programs reflected in the Development Plan and Term Sheet for the redevelopment of Naval Station Treasure Island ("Development Plan"). Support from the Treasure Island Development Authority for the legislation is integral to its success and staff is seeking formal support for the legislation, to be reflected via support letters from TIDA. The legislation is discussed below.

1. Treasure Island Transportation Management District
   The innovative transportation program proposed for the future of Treasure Island includes a system of comprehensive incentives to utilize public transit and disincentives for automobile use. Key objectives of the transportation program are to: minimize impacts on the regional highway system, and specifically the Bay Bridge; foster a transit-, pedestrian- and bicycle-oriented lifestyle; and, establish a program that can be financially self-sufficient. Several mechanisms have been proposed to achieve these goals including levying of a congestion pricing fee for autos traveling on or off the Islands during peak periods, establishment and collection of parking revenues, establishment of a mandatory transit pass program for residents and certain commercial users, in addition to other best practices in transportation planning.

   It is envisioned that a transportation management district would be created with specific oversight of Treasure Island transportation issues and with the authority to implement the aforementioned programs. The proceeds of the programs will establish a reliable source of funding to subsidize public transit (ferries, buses and other programs) serving the island. It has been determined that the preferred mechanism for obtaining the authority to implement these programs and creation of such a district is via state legislation.

AB 1543, legislation introduced by Assemblyman Mark Leno, allows for the establishment of a Treasure Island Transportation Management Agency with the authority to: impose a congestion pricing fee for specific users (likely only residents), set and collect parking fees (i.e. public meters and on-island garages), and establish a mandatory transit pass program for residents, and certain commercial users (i.e. hotel guests). The proceeds of the programs will establish a reliable source of funding to subsidize public transit (ferries, buses and other programs) serving the island. The bill specifies that the Board of Supervisors will approve the governance structure and the specifics regarding implementation of the Transportation Plan.

We expect to amend the bill at its first hearing in the following ways: 1) clarifies TIDA's role in recommending to the Board of Supervisors the establishment of the governance structure and specifics of the implementation of the Transportation Plan, 2) to clarify that the Board of Supervisors may designate itself or another board/agency to serve as the District's governing body, 3) state that the use of the congestion pricing, parking and transit pass fees in accordance with the act provides substantial benefit to the tidelands trust by promoting access to TI by a wide range of local, regional and statewide visitors, and 4) state that an additional goal of the act is to promote multi-model access to Treasure Island for a wide range of local, regional and statewide visitors. We expect that the legislation may be further amended during the course of the legislative process.

Obtaining this authorizing legislation now is important to establishing the authority to implement the transportation programs planned and advance the ongoing planning. In addition, the authorizing legislation will support the project-specific environmental review under CEQA with respect to transportation analysis.

The City's State Legislative Committee adopted a "support" position for AB 1543 at its February 21, 2007 meeting.

RECOMMENDATION

Staff recommends adopting support position for AB 1543 (Leno) and authorizing staff to send letters indicating the Authority's support to the author and legislative committees.

EXHIBITS

A Draft Letter in support of Transportation Management District legislation

[Supporting AB 1543 (Leno) to Authorize the Formation of the Treasure Island Transportation Management Agency.]

Resolution Supporting AB 1543 (Leno) to Authorize the Formation of the Treasure Island Transportation Management Agency.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1994, a Citizen's Reuse Committee ("CRC"), representing a broad spectrum of community interests, was formed to: (i) review reuse planning efforts regarding the Base by the San Francisco Planning Department and the San Francisco Redevelopment Agency; and (ii) make recommendations to the City's Planning Commission and Board of Supervisors; and,

WHEREAS, In July 1996, after an extensive community planning effort, a draft reuse plan for the Base (the "Reuse Plan") was unanimously endorsed by the Mayor, the Board of Supervisors, the Planning Commission and the CRC; and,

WHEREAS, One of the key recommendations of the reuse planning process was the creation of a special, single-purpose authority to oversee the redevelopment of Treasure Island, and thus, under the Treasure Island Conversion Act of 1997, the California Legislature (i) designated the Treasure Island Development Authority (the "Authority") as a redevelopment agency under California redevelopment law with authority over the Base, and

(ii) with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the “Tidelands Trust”), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, A key recommendation from the reuse planning process was that, because the redevelopment of the Base will require extensive coordination and large investments for new infrastructure and to address extraordinary transportation and seismic constraints, the Authority should pursue the redevelopment effort through a public/private partnership with a "Primary Developer" of the Base; and,

WHEREAS, On March 20, 2003, after a Request for Qualifications/Request for Proposals process, the Authority Board of Directors authorized the Authority's Executive Director to enter into exclusive negotiations with Treasure Island Community Development, LLC, ("TICD") regarding the redevelopment of the Base; and,

WHEREAS, Substantial progress has been made on the development planning for the Base through an extensive public planning process that involved the Treasure Island/Yerba Buena Island Citizen's Advisory Board (the "TI/YBI CAB"), the Authority Board of Directors, the Board of Supervisors and other public forums; and,

WHEREAS, The public planning process culminated with the endorsement of the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island between the Authority and TICD (the "Development Plan and Term Sheet") by the TI/YBI CAB, the Authority Board of Directors and the Board of Supervisors in the Fall of 2006; and,

WHEREAS, The proposed development program for the Base includes an unprecedented and sustainable transportation program that prioritizes walking, biking and use of public transit, specifically ferries and buses, rather than automobiles, through a system of comprehensive incentives to utilize public transit and disincentives for automobile use; and,

WHEREAS, The Board of Supervisors' endorsement of the Development Plan and Term Sheet was conditioned on a requirement that the Authority obtain State legislation that provides the necessary authority to establish a Treasure Island Transportation Management Agency with the authority to implement the transportation management programs described in the Development Plan and Term Sheet, including the imposition of a congestion pricing fee, the setting and collecting of parking fees, and the establishment of a mandatory transit pass program; and,

WHEREAS, The proceeds of the transportation programs will establish a reliable source of funding to subsidize public transit for Treasure Island; and,

WHEREAS, Authority staff is initiating State legislation, AB 1543 (Leno), that provides the necessary authority to establish the Treasure Island Transportation Management Agency, subject to the Authority Board's and the Board of Supervisors' approval of the authority and structure of the Treasure Island Transportation Management Agency; and,

WHEREAS, The Board of Directors wishes to express its support for AB 1543 (Leno) that provides the necessary authority to establish the Treasure Island Transportation Management Agency; now, therefore, be it

RESOLVED, That the Board of Directors hereby expresses its support for the passage of AB 1543 (Leno) that provides the necessary authority to establish the Treasure Island Transportation Management Agency; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes staff to prepare and send a letter on behalf of this Board to the appropriate State legislators supporting the passage of AB 1543 (Leno) that provides the necessary authority to establish the Treasure Island Transportation Management Agency.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on March 14, 2007.

_____
John Elberling
Secretary

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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

DRAFT Letter of Support

RE: AB 1543 (Leno) – Treasure Island Transportation Management District-- **SUPPORT**

Dear ,

The Treasure Island Development Authority (TIDA) voted at its March 14, 2007 meeting to support state legislation authorizing the creation of a Treasure Island-specific Transportation Management District (the "District"). In December of 2006 the San Francisco Board of Supervisors endorsed a Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island. A keystone of that Development Plan is an innovative transportation program that includes a system of comprehensive incentives to utilize public transit and disincentives for automobile use.

Key objectives of the proposed Treasure Island transportation program are to: minimize impacts of the development on the regional highway system, and specifically the Bay Bridge; foster a transit-, pedestrian- and bicycle-oriented lifestyle; and, establish a program that can be financially self-sufficient. Several mechanisms have been proposed to achieve these goals including levying of a congestion pricing fee for autos traveling on or off the Islands during peak periods, establishment and collection of parking revenues, establishment of a mandatory transit pass program for residents and certain commercial users, in addition to other best practices in transportation planning.

The District would be created with specific oversight of Treasure Island transportation issues and with the authority to implement the aforementioned programs. The proceeds of the programs will establish a reliable source of funding to subsidize public transit (ferries, buses and other programs) serving the island. TIDA and the City are working closely with the San Francisco Transportation Authority on the development of the transportation program.

On behalf of TIDA, we sincerely appreciate your consideration and support for this legislation.

Sincerely,

Claudine Cheng, President
TIDA Board of Directors

cc: The Honorable Mark Leno
Lynn Suter and Associates

AGENDA ITEM 12
Treasure Island Development Authority
City and County of San Francisco
Meeting of March 14, 2007

Subject: Authorizing The Director of Island Operations to enter into a Sublease with SF Vendings for 100 square feet in Building 201 on a month-to-month basis through November 30, 2007 (*Action Item*)

Contact Mirian Saez, Director of Island Operations

Phone (415) 274-0660

BACKGROUND

On October 1, 2005, the Executive Director executed a Sublease (the "Original Sublease") with SF Vendings for a month-to-month term not to exceed six months in accord with authority delegated to the Executive Director under Section 10 of the Treasure Island Development Authority Rules and Procedures for Transfer and Use of Real Property. The premises consisted of approximately 100 square feet in Building 201 at a base rent of $250.00 ($2.50 psf) per month. The sole proprietorship is a vending machine and canned beverages distributor. Customers are in San Francisco and the surrounding Bay Area counties.

The month-to-month term of the Original Sublease expired on March 31, 2006. The Subtenant has remained in a month-to-month holdover status.

The Subtenant has informed project staff that he would like to extend the term under the same terms and conditions. The risk manager has waived the Subtenant's obligation to provide evidence of worker's compensation insurance because he is a sole proprietorship with no employees. There have been other technical changes to the standard sublease terms since the date of the Original Sublease with the Authority. Project staff proposes to provide the Subtenant a new Sublease reflecting current standard Sublease terms and conditions. The Subtenant has reviewed and approved the updated Sublease terms.

MARKET RATE COMPARABLES

A survey conducted by project staff of properties currently listed as available for rent, rents for non-retail spaces of less than 500 square feet are difficult to find in San Francisco. Industrial spaces tend to be larger. The smallest listed industrial space was at 3000 Third Street, a new and attractive industrial building about 1 mile north of the Bayview. The smallest space available in the building is 1,365 square feet at a rental rate of $0.85 for a monthly rent of $1,160.25. Ground

floor retail space has rental rates beginning at $1.50 psf for 500 square feet or $750.00 per month in the Mission District. East Bay listings were more plentiful with rents in Castro Valley as low as $1.50 psf for 600 square feet or $900.00 per month.

The lack of comparable space listed for lease, combined with the subtenant's requirement for small space, suggests a rental rate of $1.50 to $2.50 psf per month.

The initial rental rate for the Subtenant was set at $2.50 per square foot per month. The change in the Consumer Price Index for the San Francisco-Oakland – San Jose SMSA was 2.1% for the period October 2005 through January 2007. Multiplication of the initial rental rate by the 2.1% change in the CPI results in a new rental rate of $2.55 per square foot. The Subtenant has agreed to pay a premium on a per square foot basis in exchange for access to the small space available in the Building 201. Based on the Subtenant's agreement to the terms of the Sublease, Project staff recommends a rental rate of $2.55 per square foot or $255.00 per month for 100 square feet in Building 201. The Subtenant would remain responsible for all utilities, maintenance and taxes assessed against the Subleasehold.

STANDING AS A TENANT

SF Vendings is delinquent in its rental payments to the Authority. As of March 5, 2007, the Subtenant had not paid rent for March 2007. It is current in its security deposit. The Use is consistent with the terms of the Sublease. The Subtenant's obligation to provide evidence of Worker's Compensation Insurance for employees has been waived because the Subtenant is a sole proprietorship with no employees. Other aspects of the Subtenant's proof of insurance are inadequate. The Policy is scheduled to expire on March 10, 2007. There is no evidence of either property insurance or automobile insurance. The Subtenant has not provided an Endorsement to the Policy naming the Authority, the US Navy and the City of San Francisco as additional insureds.

RECOMMENDATION

Approve the Sublease between SF Vendings and the Authority. Direct project staff to secure evidence of adequate insurance prior to executing this new sublease.

EXHIBITS

A. Sublease between the Treasure Island Development Authority as Sublandlord and SF Vendings as Subtenant for the Sublease of a Portion of Building 201, Naval Station Treasure Island, San Francisco, CA, dated April 1, 2007

B. Drawing showing location of premises

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations

[SF Vendings Sublease]

Authorizing The Director of Island Operations to enter into a Sublease with SF Vendings for 100 square feet in Building 201 on a month-to-month basis through November 30, 2007.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy, entered into Master Lease (Lease No. N6247499RP42P12), as amended, for use of certain property, including Building 201; and,

WHEREAS, The Master Lease enables the Authority to sublease the leasehold premises for interim use; and,

WHEREAS, On October 1, 2005, the Executive Director executed a sublease (the "Original Sublease") with SF Vendings, a sole proprietorship, for 100 square feet in Building 201 at a rent of $250 NNN per month for a month-to-month term not to exceed six months in accord with authority delegated to the Executive Director under Section 10 of the Treasure

Island Development Authority Rules and Procedures for Transfer and Use of Real Property; and,

WHEREAS, The month-to-month term of the Original Sublease expired on March 31, 2006, and the subtenant has remained in possession on a month-to-month holdover basis; and,

WHEREAS, Under the terms of the proposed new Sublease, SF Vendings will sublease 100 square feet in Building 201 for $255 NNN per month beginning April 1, 2007; and,

WHEREAS, The term of the sublease shall commence April 1, 2007 and continue on a month-to-month basis through November 30, 2007; and,

WHEREAS, The premises will be used as general office space for SF Vendings; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby finds and determines as follows:

1. That the proposed new Sublease will serve the goals of the Authority and the public interests of the City; and

2. That the terms and conditions of the proposed new Sublease are fair and reasonable; and be it,

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to execute the new Sublease with SF Vendings for the premises, in substantially the form attached as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on March 14, 2007.

_____

John Elberling, Secretary

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SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

SF Vendings

as Subtenant

For the Sublease of

a Portion of the Building 201
Naval Station Treasure Island
San Francisco, California

April 1, 2007

TREASURE ISLAND SUBLEASE

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LIST OF EXHIBITS:

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated as of this first day of April, 2007, is by and between the Treasure Island Development Authority, a California public benefit corporation ("Sublandlord"), and SF Vendings, a sole proprietorship ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a lease dated September 4, 1998, as amended from time to time (the "Master Lease"), a copy of which is attached hereto as Exhibit A. Under the Master Lease, the Master Landlord leased to Sublandlord certain real property located on Treasure Island Naval Station (the "Property"), as more particularly described in the Master Lease.

B. The Property includes approximately One Hundred (100) Square Feet in Building 201, as more particularly shown on the map attached hereto as Exhibit B (the "Premises").

C. Subtenant desires to sublet the Premises from Sublandlord and Sublandlord is willing to sublet the Premises to Subtenant on the terms and conditions contained in this Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. PREMISES

1.1. Subleased Premises. Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises.

1.2. As Is Condition of Premises.

(a) Inspection of Premises. Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Subtenant's Agents"), of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report referenced in Section 1.2(c) below and the Joint Inspection Report referenced in Section 6

of the Master Lease.

(b) **As Is; Disclaimer of Representations**. Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted under this Sublease, (v) the safety of the Premises, whether for the use by Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) **Seismic Report.** Without limiting Section 1.2(b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

2. COMPLIANCE WITH MASTER LEASE

2.1. Incorporation by Reference. All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein.

2.2. Performance of Master Landlord's Obligations. Sublandlord does not assume the obligations of Master Landlord under the Master Lease. With respect to work, services, repairs, restoration, the provision of utilities or HVAC services, or the performance of any other obligations required of Master Landlord under the Master Lease, Sublandlord's sole obligation with respect thereto shall be to request the same, on request in writing by Subtenant, and to use reasonable efforts to obtain the same from Master Landlord. Subtenant shall cooperate with Sublandlord as may be required to obtain from Master Landlord any such work, services, repairs, repainting, restoration, the provision of utilities or HVAC services, or the performance of any of Master Landlord's obligations under the Master Lease.

2.3. Conflict. If any of the provisions of this Sublease conflict with any portion of the Master Lease as incorporated herein, then the terms of the Master Lease shall govern.

2.4. Compliance with Master Lease. Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord.

2.5. Automatic Termination. If the Master Lease terminates for any reason whatsoever, this Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

3. TERM

3.1. **Term of Sublease**. The term of this Sublease (the "Term") shall commence on April 1, 2007 (the "Commencement Date"), and continue on a month-to-month basis through November 30, 2007 (the "Expiration Date"), unless sooner terminated pursuant to the terms of this Sublease. Notwithstanding anything in this Sublease to the contrary, either Sublandlord or Subtenant, in its sole discretion, may terminate this Sublease for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.

3.2. **Effective Date**. This Sublease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Sublease, (ii) Sublandlord's Board of Director's approval of this Sublease at a duly noticed meeting, or (iii) the Commencement Date.

4. RENT

4.1. **Base Rent.** Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to Sublandlord base rent in the amount of Two Hundred Fifty Five Dollars and no cents ($255.00) per month (the "Base Rent"). Base Rent shall be paid to Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Sublandlord provided in Section 20.1 hereof or such other place as Sublandlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

4.2. **Additional Charges**. In addition to Base Rent, Subtenant shall pay any and all real property taxes, possessory interest taxes, common area maintenance charges, and other costs, impositions and expenses related to the Premises as provided in Section 5 hereof, plus all other charges related to the Premises otherwise payable by Subtenant to Sublandlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Subtenant hereunder, all utility charges, and any common area maintenance charge (the "CAM Charge") levied on the Premises (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

4.3. **Late Charge**. If Subtenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Sublandlord and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Sublandlord will incur as a result of any such

failure by Subtenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Sublandlord for its damages resulting from such failure to pay and Subtenant shall promptly pay such charge to Sublandlord together with such unpaid amount.

4.4. **Default Interest**. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of the greater of the interest rate in effect that has been established by the Secretary of Treasury pursuant to Public Law, as described in Section 33 of the Master Lease, or ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Subtenant nor on any amounts on which late charges are paid by Subtenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Subtenant.

5. TAXES, ASSESSMENTS AND OTHER EXPENSES

5.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) **Payment Responsibility**. Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) **Taxability of Possessory Interest.** Without limiting the foregoing, Subtenant recognizes and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) **No Liens**. Subtenant shall not allow or suffer a lien for any taxes payable by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) **Reporting Information**. Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

5.2. **Other Expenses**. This is a "triple net" Sublease. Accordingly, Subtenant shall be

responsible for any and all other charges, costs and expenses related to its use, occupancy, operation or enjoyment of the Premises or any Alterations permitted thereon, including, without limitation, the cost of any utilities, the CAM Charge, and all property maintenance, including landscaping of parking areas and any other services necessary for Subtenant's use.

5.3. **Evidence of Payment**. Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Sublandlord, evidencing payment thereof.

6. USE; COVENANTS TO PROTECT PREMISES

6.1. **Subtenant's Permitted Use**. Subtenant may use the Premises for general office purposes, but for no other use without the prior written consent of Sublandlord, which consent may be given or withheld in Sublandlord's sole and absolute discretion. Nothing in this Sublease shall be construed to permit Subtenant to perform any maintenance, repair, or other work on any of the automobiles or other vehicles to be stored on the Premises without Sublandlord's prior written consent.

6.2. **Subtenant's Access to the Premises**. As provided in Section 30 of the Master Lease, Subtenant shall have access to the Premises on a 24-hours per day, seven days a week basis; provided, however, Subtenant shall coordinate such access with the local representative of Master Landlord.

6.3. **Rules and Regulations**. Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Master Landlord or Sublandlord from time to time.

6.4. **Easements**. This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"); provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to

any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

6.5. **No Interference with Navy Operations**. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over Subtenant's use of the Premises in the event of any conflict; provided, however, in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of Subtenant's operation.

6.6. **No Unlawful Uses, Nuisances or Waste**. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall eliminate any nuisances or hazards relating to its activities on or about the Premises. Subtenant shall not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

7. ALTERATIONS

7.1. **Alterations**. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Sublandlord's prior written consent in each instance, which consent may given or withheld in Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications for any Alterations approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of construction on the Premises at all times.

7.2. **Historic Properties**. Without limiting the generality of the foregoing, Subtenant acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Master

Landlord's and Sublandlord's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

7.3. **Ownership of Alterations**. Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of this Section 7 shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 18 hereof, unless Sublandlord, at its sole option and without limiting any of the provisions of Section 7.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Sublease.

7.4. **Subtenant's Personal Property**. All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and shall be removed by Subtenant, subject to the provisions of Section 18 hereof. Subtenant shall be solely responsible for providing any security or other protection of or maintenance to Subtenant's Personal Property.

7.5. **Sublandlord's Alterations.** Sublandlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the improvements on the Premises; provided, that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the purposes stated herein.

8. REPAIRS AND MAINTENANCE

8.1. **Subtenant Responsible for Maintenance and Repair**. Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

8.2. **Utilities**. Sublandlord shall provide the basic utilities and services described in the

attached Exhibit E (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Subtenant shall be responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Subtenant may need for its use of the Premises. Subtenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit E.

8.3. Landscaping. Subtenant shall maintain the exterior landscaping of the Premises in good condition and repair.

8.4. Janitorial Services. Subtenant shall provide all janitorial services for the Premises.

8.5. Pest Control. Subtenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

8.6. Trash. Subtenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as Exhibit F. Subtenant shall pay for the removal of trash from the designated containers. Subtenant shall abide by all rules established by Sublandlord or Master Landlord for the handling of trash.

8.7. No Right to Repair and Deduct. Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or any right of Subtenant to make repairs or replacements and deduct the cost thereof from Rent.

9. LIENS

9.1. Liens. Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by

law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Subtenant shall give Sublandlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

10. COMPLIANCE WITH LAWS

10.1. **Compliance with Laws**. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Subtenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Subtenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq. and Title 24 of the California Code of Regulations, and all present and future Environmental Laws (as defined in this Sublease below). No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

10.2. **Regulatory Approvals**.

(a) **Responsible Party**. Subtenant understands and agrees that Subtenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation, any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") Sublandlord, City and Master Landlord, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities,

damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

10.3. Compliance with Sublandlord's Risk Management Requirements. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

11. ENCUMBRANCES

11.1. Encumbrance By Subtenant. Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's or Subtenant's interest under this Sublease.

12. DAMAGE OR DESTRUCTION

12.1. Damage or Destruction to the Premises. In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Subtenant or Subtenant's Agents or Subtenant's Invitees, (ii) is not covered by the insurance described in Section 16 below, (iii) prevents Subtenant from operating the Premises for the purposes stated herein, and (iv) costs more than Ten Thousand Dollars ($10,000) to repair, either party may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 18 (except for damage caused by a casualty pursuant to which this Sublease may be terminated under this Section 12.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Sublease as provided in this Section 12.1, then Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 7.1 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

12.2. No Abatement in Rent. In the event of any damage or destruction to the Premises, and if neither party terminates this Sublease as provided in Section 12.1 above, there shall be no abatement in the Rent payable hereunder.

12.3. **Waiver**. The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

13. ASSIGNMENT AND SUBLETTING

13.1. **Restriction on Assignment and Subletting**. Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, sublease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion. Subtenant shall provide Sublandlord with a written notice of its intention to Transfer this Sublease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days prior to the commencement date of the proposed Transfer. Subtenant shall provide Sublandlord with such information regarding the proposed Transfer as Sublandlord may reasonably request.

14. DEFAULT; REMEDIES

14.1. **Events of Default**. Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) **Failure to Pay Rent**. Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;

(b) **Covenants, Conditions and Representations**. Any failure to perform or comply with any other covenant, condition or representation made under this Sublease; provided, Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord.

(c) **Vacation or Abandonment**. Any abandonment of the Premises for more than fourteen (14) consecutive days; and

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted.

14.2. Remedies. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall have the following rights and remedies in addition to all other rights and remedies available to Sublandlord at Law or in equity:

(a) Terminate Sublease and Recover Damages. The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) Appointment of Receiver. The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

14.3. Sublandlord's Right to Cure Subtenant's Defaults. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Sublandlord where prior notice by Sublandlord is impractical), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

15. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

15.1. Release and Waiver of Claims. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to

Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused solely by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the

Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant, on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way connected with the Indemnified Parties' decision to Sublease the Premises to Subtenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 15.1.

(g) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Subtenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(i) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**

Subtenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

15.2. Subtenant's Indemnity Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Subtenant's

use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) any construction or other work undertaken by Subtenant on or about the Premises; and (f) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, in, on, or about the Premises or any Alterations, except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused solely by the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease.

16. INSURANCE

16.1. Subtenant's Insurance. Without in any way limiting Subtenant's liability pursuant to Section 15 hereof, Subtenant shall procure and maintain throughout the Term of this Sublease the following insurance and pay the cost thereof:

(a) Property Insurance. A standard fire and extended coverage insurance policy insuring the Premises, including, without limitation, fixtures, Alterations, furniture and equipment located thereon, in an amount not less than their full replacement value.

(b) Commercial General Liability Insurance. Commercial General Liability Insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including contractual liability, personal injury, products and completed operations. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CG-00-01-11-88.

(c) Business automobile liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, if Subtenant uses automobiles in connection

with its use of the Premises. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CA-00-01-06-92.

16.2. **General Requirements**. All insurance provided for under this Sublease shall be effected under valid enforceable policies issued by insurers of recognized responsibility and reasonably approved by Sublandlord.

(a) Should any of the required insurance be provided under a claims-made form, Subtenant shall maintain such coverage continuously throughout the term hereof and, without lapse, for a period of three (3) years beyond the expiration or termination of this Sublease, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Sublease, such claims shall be covered by such claims-made policies.

(b) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

(c) All liability insurance policies shall be endorsed to provide the following:

(i) Cover Subtenant as the insured and Sublandlord and the Master Landlord as additional insureds.

(ii) That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Sublease, and that insurance applies separately to each insured against whom claim is made or suit is brought. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

(iii) All policies shall be endorsed to provide thirty (30) days' advance written notice to Sublandlord of cancellation, non-renewal or reduction in coverage, mailed to the address(es) for Sublandlord set forth in Section 20.1.

16.3. **Proof of Insurance**. Subtenant shall deliver to Sublandlord certificates of insurance in form and with insurers satisfactory to Sublandlord, evidencing the coverages required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon Sublandlord's request, and Subtenant shall provide Sublandlord with certificates or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. As to the insurance required pursuant to Section 16.1(a) above, such certificate shall state, among other things, that such insurance coverage includes and shall cover Subtenant's indemnity obligations

under Section 15.2 above. In the event Subtenant shall fail to procure such insurance, or to deliver such certificates or policies, Sublandlord may, at its option, procure the same for the account of Subtenant, and the cost thereof shall be paid to Sublandlord within five (5) days after delivery to Subtenant of bills therefor.

16.4. No Limitation on Indemnities. Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

16.5. Lapse of Insurance. Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant.

16.6. Subtenant's Personal Property. Subtenant shall be responsible, at its expense, for separately insuring Subtenant's Personal Property.

16.7. Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, to the extent permitted by their respective policies of insurance, Sublandlord and Subtenant each hereby waive any right of recovery against the other party and against any other party maintaining a policy of insurance covering the Premises and their contents, or any portion thereof, for any loss or damage maintained by such other party with respect to the Premises, or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party. If any policy of insurance relating to the Premises carried by Subtenant does not permit the foregoing waiver or if the coverage under any such policy would be invalidated due to such waiver, Subtenant shall obtain, if possible, from the insurer under such policy a waiver of all rights of subrogation the insurer might have against Sublandlord or any other party maintaining a policy of insurance covering the same loss, in connection with any claim, loss or damage covered by such policy.

17. ACCESS BY SUBLANDLORD

17.1. Access to Premises by Sublandlord.

(a) General Access. Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Subtenant (except in the event of an emergency) for any purpose.

(b) Emergency Access. In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for

any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) **No Liability**. Sublandlord shall not be liable in any manner, and Subtenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

17.2. Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

18. SURRENDER

18.1. Surrender of the Premises. Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Subtenant. On or before any termination hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 7.3 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980, et seq., of the California Civil Code or in any other manner allowed by Law.

18.2. No Holding Over. If Subtenant fails to surrender the Premises to Sublandlord upon the termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises. Subtenant shall have no right to hold over without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and absolute discretion. If Sublandlord holds over the

Premises or any part thereof after expiration or earlier termination of this Sublease, such holding over shall be terminable upon written notice by Sublandlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Sublease. This Section shall not be construed as Sublandlord's permission for Subtenant to hold over. Acceptance of any holdover Base Rent by Sublandlord following expiration or termination of this Sublease shall not constitute an extension or renewal of this Sublease.

18.3. **Security Deposit**. Subtenant shall pay to Sublandlord upon execution of this Sublease a security deposit in the amount of Five Hundred and Ten Dollars ($510.00) as security for the faithful performance of all terms, covenants and conditions of this Sublease. Subtenant agrees that Sublandlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Subtenant, Subtenant's Agents or Subtenant's Invitees, or any failure of Subtenant to perform any other terms, covenants or conditions contained in this Sublease, without waiving any of Sublandlord's other rights and remedies hereunder or at Law or in equity. Should Sublandlord use any portion of the security deposit to cure any Event of Default by Subtenant hereunder, Subtenant shall immediately replenish the security deposit to the original amount, and Subtenant's failure to do so within five (5) days of Sublandlord's notice shall constitute a material Event of Default under this Sublease. Sublandlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Sublandlord shall not be required to keep the security deposit separate from its general funds, and Subtenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Subtenant's liability for the performance of any of its obligations under this Sublease. To the extent that Sublandlord is not entitled to retain or apply the security deposit pursuant to this Section 18.3, Sublandlord shall return such security deposit to Subtenant within forty-five (45) days of the termination of this Sublease.

19. HAZARDOUS MATERIALS

19.1. **No Hazardous Materials**. Subtenant covenants and agrees that neither Subtenant nor any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. Sections 9601 et seq.), or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed

of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). Subtenant agrees that it shall comply, without limiting the foregoing, with the provisions of Article 21 of the San Francisco Health Code including, without limitation, regarding obtaining and complying with the requirements of an approved hazardous materials management plan, and with the requirements of the environmental protection provisions provided for in Section 13 of the Master Lease.

19.2. Subtenant's Environmental Indemnity. If Subtenant breaches any of its obligations contained in Section 19.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 15.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall,

immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

19.3. Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Subtenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOSL. In addition, California's Proposition 65, Health and Safety Code Section 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Sublease, Subtenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

20. GENERAL PROVISIONS

20.1. Notices. Except as otherwise expressly provided in this Sublease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid as follows:

Notice Address of Sublandlord:	Treasure Island Development Authority Treasure Island Project Office 410 Avenue of Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn: Mirian Saez Director of Island Operations Fax No.: 415-274-0299
with a copy to:	Office of the City Attorney City Hall, Room 234

1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Eileen M. Malley
Fax No.: (415) 554-4755

Notice Address of Subtenant:

SF Vendings
1945 Sutter St. Suite K
San Francisco, CA 94115
Attn: Anthony Nakano Boutrin
Phone No. (415) 725-0255
Fax No. (415) 922-1469

Notice Address of Master Landlord:

Department of the Navy
Base Realignment and Closure
Program Management Office West
1455 Frazee Road, Suite 900
San Diego, Ca 92108-4310

Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 20.1 and applicable Laws, shall be deemed receipt of such notice.

20.2. **No Implied Waiver**. No failure by Sublandlord to insist upon the strict performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord

given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

20.3. **Amendments**. Neither this Sublease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

20.4. **Authority**. If Subtenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

20.5. **Joint and Several Obligations**. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant, the obligations and liabilities under this Sublease imposed on Subtenant shall be joint and several.

20.6. **Interpretation of Sublease**. The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Sublease. Provisions in this Sublease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

20.7. **Successors and Assigns**. Subject to the provisions of Section 13, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors

and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

20.8. **Brokers**. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

20.9. **Severability**. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by Law.

20.10. **Governing Law**. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

20.11. **Entire Agreement**. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Sublease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein.

20.12. **Attorneys' Fees**. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Sublease, reasonable fees of attorneys in the Office of the San Francisco City Attorney

(Sublandlord's General Counsel) shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Sublease, the term "attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

20.13. **Time of Essence**. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

20.14. **Cumulative Remedies**. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

20.15. **Survival of Indemnities**. Termination of this Sublease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

20.16. **Relationship of Parties**. Sublandlord is not, and none of the provisions in this Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

20.17. **Recording**. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

20.18. **Non-Liability of Indemnified Parties' Officials, Employees and Agents**. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or

breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Sublease.

20.19. No Discrimination. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

20.20. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20.21. Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord.

21. SPECIAL PROVISIONS

21.1. Signs. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

21.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Subtenant's sole expense.

21.3. TIHDI Job Broker. Subtenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit F.

21.4. Local Hiring. Subtenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

21.5. Non-Discrimination in City Contracts and Benefits Ordinance.

(a) Covenant Not to Discriminate. In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working

with, or applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) **Sub-Subleases and Other Subcontracts**. Subtenant shall include in all sub-subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such sub-subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all sub-subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all sub-subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) **Non-Discrimination in Benefits**. Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Sublease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **HRC Form**. As a condition to this Sublease, Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC"). Subtenant hereby represents that prior to execution of this Sublease, (i) Subtenant executed and submitted to the HRC Form HRC-128-101 with supporting documentation; and (ii) the HRC approved such form.

(e) **Incorporation of Administrative Code Provisions by Reference**. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50.00) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

21.6. No Relocation Assistance; Waiver of Claims. Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated or expires by its own terms, and Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all Claims against, and covenants not to sue, Sublandlord, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260, et seq.), except as otherwise specifically provided in this Sublease with respect to a condemnation of the Premises.

21.7. MacBride Principles - Northern Ireland. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

21.8. Tropical Hardwood and Virgin Redwood Ban. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Subtenant shall not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Sublease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Subtenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Subtenant shall be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

21.9. Conflicts of Interest. Subtenant states that it is familiar with the provisions of Section 8.105 and 8.106 of the San Francisco Charter and certifies that it knows of no facts which would constitute a violation of such provisions. Subtenant further certifies that it has made a complete disclosure to the Sublandlord of all facts bearing on any possible interests, direct or indirect, which Subtenant believes any officer or employee of the Sublandlord presently has or will have in this Sublease or in the performance thereof or in any portion of the profits thereof. Willful failure by Subtenant to make such disclosure, if any, shall constitute grounds for the Sublandlord's termination and cancellation of this Sublease.

21.10. Wages and Working Conditions. Subtenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Subtenant provides under this Sublease, shall be paid not less than the highest prevailing rate of

wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Subtenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord upon request, certified payroll reports with respect to all persons performing labor in the construction of such tenant improvement work or any Alterations to the Premises.

21.11. Prohibition of Tobacco Advertising. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Sublandlord or the City, including the Premises and the Property. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

21.12. Pesticide Prohibition. Subtenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which **(i)** prohibit the use of certain pesticides on City property, **(ii)** require the posting of certain notices and the maintenance of certain records regarding pesticide usage and **(iii)** require Subtenant to submit to Sublandlord an integrated pest management ("IPM") plan that **(a)** lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the terms of this Sublease, **(b)** describes the steps Subtenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and **(c)** identifies, by name, title, address and telephone number, an individual to act as Subtenant's primary IPM contact person with the City. In addition, Subtenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

21.13. First Source Hiring Ordinance. The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Sublandlord adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Subtenant shall enter into a First Source Hiring Agreement that meets the applicable requirements of Section 83.9 of the First Source Hiring Ordinance.

21.14. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded.

Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

21.15. Conflicts of Interest. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Subtenant becomes aware of any such fact during the Term of this Sublease, Subtenant shall immediately notify Sublandlord.

21.16. Charter Provision. This Sublease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

21.17. Requiring Health Benefits for Covered Employees. Unless exempt, Subtenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Sublease as though fully set forth. The text of the HCAO is available on the web at www.dph.sf.ca.us/HCRes/Resolutions/2004Res/HCRes102004.shtml. Capitalized terms used in this Section and not defined in this Sublease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Subtenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Subtenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Subtenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.

(c) Subtenant's failure to comply with the HCAO shall constitute a material breach of this Sublease. Sublandlord shall notify Subtenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Sublease for violating the HCAO, Subtenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Subtenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Sublandlord shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Sublandlord.

(d) Any Subcontract entered into by Subtenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Subtenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Subtenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Sublandlord may pursue the remedies set forth in this Section against Subtenant based on the Subcontractor's failure to comply, provided that Sublandlord has first provided Subtenant with notice and an opportunity to obtain a cure of the violation.

(e) Subtenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Sublandlord with regard to Subtenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Subtenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Subtenant shall keep itself informed of the current requirements of the HCAO.

(h) Subtenant shall provide reports to Sublandlord in accordance with any reporting standards promulgated by Sublandlord under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(i) Subtenant shall provide Sublandlord with access to records pertaining to compliance with the HCAO after receiving a written request from Sublandlord to do so and being provided at least five (5) business days to respond.

(j) Sublandlord may conduct random audits of Subtenant to ascertain its compliance with HCAO. Subtenant agrees to cooperate with Sublandlord when it conducts such audits.

(k) If Subtenant is exempt from the HCAO when this Sublease is executed because its amount is less than Twenty-Five Thousand Dollars ($25,000), but Subtenant later enters into an agreement or agreements that cause Subtenant's aggregate amount of all agreements with Sublandlord to reach Seventy-Five Thousand Dollars ($75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Subtenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars ($75,000) in the fiscal year.

21.18. <u>Notification of Limitations on Contributions.</u> Through its execution of this Sublease,

Subtenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

21.19. Preservation-Treated Wood Containing Arsenic. As of July 1, 2003, Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Sublease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Subtenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

21.20. Resource Efficient City Buildings and Pilot Projects. Subtenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Subtenant hereby agrees that it shall comply with all applicable provisions of such code sections.

21.21. Food Service Waste Reduction. Subtenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Sublease as though fully set forth. This provision is a material term of this Sublease. By entering into this Sublease, Subtenant agrees that if it breaches this provision, Sublandlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Subtenant agrees that the sum of One Hundred Dollars ($100.00) liquidated

damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Sublandlord will incur based on the violation, established in light of the circumstances existing at the time this Sublease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Sublandlord because of Subtenant's failure to comply with this provision.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

SF Vendings,
a Sole Proprietorship

By: _____
Its: Owner

SUBLANDLORD:

Treasure Island Development Authority

By: _____
Its: Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

EXHIBIT A

MASTER LEASE

EXHIBIT B

DIAGRAM OF PREMISES

EXHIBIT C

COVER PAGE OF THE SEISMIC REPORT

EXHIBIT D

RULES AND REGULATIONS

1. All rules and regulations set out in the Master License shall prevail.

2. No signs, advertisements, or notices shall be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Property, without prior written approval of Sublandlord.

3. Subtenant's contractors and invitees, while on the Premises or Subtenant's parking area, shall be subject to these Rules and Regulations, and will be subject to direction from Sublandlord and its agents, but will not be an agent or contractor of the Sublandlord or its agents. Subtenant's contractors shall be licensed by the State, insured and bonded at the amount requested by the Sublandlord.

4. Subtenant shall install and maintain at Subtenant's expense, any life safety equipment required by governmental rules, regulations or laws to be kept on the Premises.

5. Subtenant shall be solely responsible for all janitorial and cleaning services, including general maintenance and cleanliness of premises as well as parking lots and landscaped areas adjacent to the Premises.

6. Subtenant shall be solely responsible for all major capital improvements and repairs to the facilities, including major roof repairs as well as all minor repairs and maintenance to the Premises, including minor plumbing, electrical and building repairs. Subtenant shall notify Sublandlord of all conditions requiring repair and all repairs made to premises by Subtenant within 10 days of Subtenant receiving notice of conditions requiring repair.

EXHIBIT E

STANDARD UTILITIES AND SERVICES AND RATES

Tenant shall be responsible for all utilities services to the premises.
Utilities shall be provided by the San Francisco Public Utilities Commission
Contact San Francisco Public Commission for rates and terms of service.

Attn: Mr. Vic Zorzynski (415) 274-0333

EXHIBIT F

WORKFORCE HIRING AGREEMENT

Contact Treasure Island Homeless Development Initiative
Attn: Ms. Sherry Williams (415) 274-0311

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SF Vendings

AGENDA ITEM 13
Treasure Island Development Authority
City and County of San Francisco
Meeting of March 14, 2007

Subject:

Approval and adoption of Yerba Buena Island Tunnel Banner Policy and Guidelines (Action Item)

Contact Mirian Saez
Director of Island Operations
415-274-0660

BACKGROUND

An informational item regarding the Yerba Buena Island Tunnel banner space rental was presented to the Treasure Island Development Authority (Authority Board) on February 14, 2007. Comments and inquiries raised by the Authority Board and the public were considered while developing the final Banner Rental Policy for the area above the Yerba Buena Island Tunnel. In addition, during the last month's Treasure Island Development Authority board meeting, the Authority Board approved the addition of the banner area to the Navy's Master Lease so that the use of the space is properly formalized.

The Director of Island Operations and Project Staff have determined that the establishment of a Banner Rental Policy for the space above the Yerba Buena Island is essential to provide a consistent and transparent tool for the rental, management, and administration of the space, as well as to ensure the continued success of partnerships between the Treasure Island Development Authority and many transportation and public service agencies that utilize the area. The goal of establishing a Banner Rental Policy is to construct a comprehensive structure to effectively execute banner permits.

The language for the banner guidelines were developed by Project Staff at the instruction of the Director of Island Operations. Project Staff carefully reviewed the banner policies of the Port of San Francisco and the Department of Public Works and received feedback from the City Attorney's Office. A copy of the Yerba Buena Island Tunnel Banner Policy and Guidelines are attached as Exhibit A.

Since 2002, the Treasure Island Development Authority, at the request of the Navy's Caretaker Site Office, has administered the rental of the area above the Yerba Buena Island (YBI) Tunnel for banner announcements. The space above the YBI Tunnel is in a desirable geographical location for promotional announcements and messages because of the high visibility to all

motorists commuting to San Francisco westbound via the Bay Bridge. According to the Metropolitan Transportation Commission, approximately 135,000 vehicles cross the Bay Bridge on an average day each way. The banners hang from a fence with a frame of 14 feet high and 70 feet wide. A photo of the area is attached as Exhibit B. The required banner size is 70 feet by 10 feet, with a minimum lettering size of 24 inches. The banners are produced by the applicants at no cost to the Treasure Island Development Authority. The current banner specifications are based on the Navy's original forms.

Project Staff determines the rental schedule of the banner space through an application process on a first-come, first-served basis. The Application is attached as Exhibit C. The Application also incorporates insurance requirements that each applicant must fulfill. To date, the announcements on the banners have been related to messages from regional transportation agencies such as BART and 511, public safety and service announcements, City-wide sponsored events, and essential construction schedule closure notices from CALTRANS regarding the Bay Bridge. Under the current Banner Rental Policy, banners that publicize Island messages and events receive priority.

The current monthly fee for rental of the banner space is $7,500. Furthermore, the framework of the Banner Policy also provides the Director of Island Operations the ability to waive and/or reduce rental fees for certain City-wide sponsored events at the request of the Mayor's Office. The Banner Rental Policy mandates that the Director report on negotiated or waived rate considerations to the Authority Board, on quarterly basis, to ensure the integrity of such transactions.

The Director of Island Operations has asked Project Staff to work with a billboard appraisal expert in the coming year to determine the true value of the space. The collection of the rental fee for the banner space is a great source of revenue for the Treasure Island Development Authority. The revenue generated from the rental of the banner space in 2006 was $60,000. The projected revenue for 2007 is approximately $80,000, as the space is already reserved every month this year. A Tentative 2007 Banner Schedule is attached as Exhibit D.

HIGHLIGHT OF CHANGES

During the process of compiling information to establish the Yerba Buena Island Banner Policy and Guidelines for the banner space, many components had to be thoroughly examined. Changes to the policy since its first presentation to the Board and as a result of further examination of comments received are listed below.

1. Project Staff has researched the feasibility of allowing commercial logos on banners that identify corporate sponsorship in their announcements for an additional fee. Upon further investigation and discussions with the City Attorney's Office and the Outdoor Advertising Branch of the Division of Traffic Operations with CalTrans, it was determined that CalTrans would object to placement of commercial logos on banners due to Federal Highway regulations. As a result, the policy has been amended to not allow commercial logos on the banners.

2. Commissioner Blumenfeld suggested enlarging the fence area and hence accordingly, increasing the monthly fee for the space. Project Staff researched increasing the size of the frame of the fence above the tunnel. The width of the fence can not be increased due to the lack of space in the area. The height can be increased; however the preliminary estimate from the Department of Public Works for the cost of the project is about $12,000. The construction time for enlarging the frame can take up to two weeks and will involve road closure behind the fence on top of Yerba Buena Island. Furthermore, if the height of the fence is increased, additional equipment and higher ladders are needed by DPW to install the banners in a safe manner. Finally, discussions with CalTrans' Outdoor Advertising Branch of the Division of Traffic Operations found that if the fence frame is enlarged and the banner size increased, the specifications need to be within State and Highway safety regulations so that the announcements are not a traffic hazard. Any changes to the specifications would require a phasing-in so as to not disrupt the existing banner schedule, as well as the cost considerations to applicants for production of new banners. Further, the pricing would have to be studied to assure that the demand at a new price point do not negatively impact applicants decision to utilize the space. Currently, Project Staff does not believe that these challenges justify changing the fence size at this time but will study the matter with the billboard appraisal expert in the future.

RECOMMENDATION

Project Staff recommends approval of the Banner Rental Policy and Guidelines to allow the Director of Island Operations to enter into Banner Permit agreements for the rental of space above the Yerba Buena Island Tunnel based on the established Banner Rental Policy and Guidelines.

EXHIBITS:

Exhibit A: Banner Policies

Exhibit B: Banner area photo

Exhibit C: Banner Application

Exhibit D: 2007 Banner schedule

Prepared by Frishtah Afifi, Project Administrator
For Mirian Saez, Director of Island Operations

[Establishing a Banner Policy and Guidelines for the rental of the fence area above the Yerba Buena Island Tunnel]

Resolution establishing and adopting a Banner Policy for the rental of the fence area above the Yerba Buena Island Tunnel

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, Treasure Island Development Authority, at the request of the Navy's Caretaker Site Office, has administered the rental of the area above the YBI Tunnel for banner announcements; and,

WHEREAS, The purpose of the Yerba Buena Island Tunnel Policy is to administer the design, maintenance, and fees for the placement of banners on the fence area above the Yerba Buena Island Tunnel ;and,

WHEREAS, Banners are intended to improve community partnership by promoting regional transportation messages, public service and safety announcements and civic and cultural events sponsored by the Treasure Island Development Authority and the City of San Francisco; and,

WHEREAS, The policy is necessary to ensure administration efficiency and transparency in transaction for the Treasure Island Project Staff in managing the space above the Yerba Buena Island Tunnel; now therefore be it

RESOLVED, The establishment of a Banner Policy and Guidelines for the fence area above the Yerba Buena Island Tunnel is essential to provide a consistent and transparent tool for the management and scheduling, as well as to ensure the continued public benefit of banner announcements above the Yerba Buena Island Tunnel; and be it

FURTHER RESOLVED, That the Authority hereby establishes a Banner Rental Policy for the area above the Yerba Buena Island Tunnel and adopts the Policy and Guidelines attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at the Properly noticed meeting on March 14, 2007.

John Elberling, Secretary

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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

MIRIAN SAEZ
DIRECTOR OF THE ISLAND OPERATIONS

YERBA BUENA ISLAND TUNNEL BANNER POLICY AND GUIDELINES
March 14, 2007

I. GENERAL BANNER USE

A. Administrative Statement

The purpose of the Yerba Buena Island Tunnel Policy is to administer the design, maintenance, and fees for the placement of banners on the space above the Yerba Buena Island Tunnel. The policy is necessary to ensure efficiency and transparency in transactions.

B. Purpose of Banners

Banners are intended to improve community partnership by promoting regional transportation messages, public service and safety announcements and civic and cultural events sponsored by the Treasure Island Development Authority and the City of San Francisco.

C. Permitted Banners

1. Banners publicizing Treasure/Yerba Buena Island messages and events. These banners receive first preference.

2. Essential Bay Bridge construction and closure notices.

3. Banners announcing regional traffic and transportation related messages.

4. Banners promoting civic and cultural City sponsored events.

D. Unpermitted

1. Banners used for political purposes.

2. Banners with corporate logos that advertise commercial products or services.

3. Banners with personal messages.

E. **Terms and Banner Placement**

1. The term for banners is 30 days. The Director of the Island Operations may consider a shorter or longer term.

2. Banners will be installed and removed by the San Francisco Department of Public Works.

3. The final approval for banner placement rests with the Director of Island Operations.

F. **Reuse of Previous Banners**

Previously used and undamaged banners may be permitted to be re-installed.

G. **Banner Design Criteria**

1. **Dimensions**: The dimensions of the banners shall be 70 feet horizontally and 10 feet vertically.

2. **Texture**: Banners are required to be produced in nylon texture with eyelet holes in each corner no more than 35 inches in size.

3. **Banner Content:** Banner content should graphically convey the message of the event or purpose in a simple manner using bold colors with a minimum lettering size of 24 inches to avoid being a traffic deterrent.

H. **Banner Production and Maintenance**

1. **Production:** The banner is produced by the applicant at no cost to the Treasure Island Development Authority.

2. **Maintenance.** The banner will be maintained and inspected on a weekly basis by the San Francisco Department of Public Works.

3. **Damages.** Any damages caused by the installation or removal of the approved banner shall be repaired at the sole expense of the banner applicant.

4. **Delivery.** The banners must be delivered to San Francisco Department of Public Works no later than one week prior to installation.

II. INSURANCE

1. Certificates of Insurance must name the City and County of San Francisco, the Treasure Island Development Authority, their officers, agents, and employees, as additional insureds by endorsement.

2. The Treasure Island Development Authority requires that all permittees throughout the term of the banner placement provide general liability insurance as described in the application for banner placement.

3. An Endorsement Form is required.

III. BANNER APPLICATION APPROVAL

A. **Banner Application Requirements.** An application for a banner placement must be submitted to the Treasure Island Development Authority no earlier than 120 days and no later than 30 days prior to the installation date. The application shall include the following information.

1. Name of the person or organization requesting the placement, including a contact person, phone number, mailing and e-mail addresses.

2. Banner wording, event description, and purpose.

3. Proposed dates for installation and removal of the banner.

4. A Certificate of Insurance and the appropriate Endorsement Form.

5. Banner application, insurance documentation and fee payments are due 30 days prior to the date of installment.

B. **Banner Application Fees**

1. **Fee.** A $7,500.00 fee is due to Treasure Island Development Authority 30 days prior to the date of banner installment.

2. **Cancellation Fee.** The application cancellation fee is $750.00

3. **Additional Fee.** If the banner is removed prior to the 30 day term, an additional $750.00 will be charged to the applicant.

4. **Waiver of Fee.** The Director of Island Operations has the ability to waive or reduce the banner fee for certain City-sponsored events at the request of the Mayor's Office Any waived or reduced rates will be reported to the Treasure Island Development Authority Board on quarterly basis.

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GAVIN NEWSOM, MAYOR

MIRIAN SAEZ

DIRECTOR OF THE ISLAND OPERATIONS

APPLICATION TO PLACE A BANNER ABOVE THE YERBA BUENA ISLAND TUNNEL

Applicant Information

Request Date _____

Name of Applicant _____

Organization _____

Phone//Fax Number _____

Address _____

Dates for Banner to be Displayed _____

Exact wording proposed _____

_____

_____

- The original signed Application and insurance documentations along with the fee payment are due to the Treasure Island Development Authority 30 days prior to banner installation.
- A monthly $7,500.00 fee will apply per banner.
- The banner is to be delivered by the applicant one week prior to installation date. The Department of Public Works will install and remove the banner.
- The term for banners is 30 days.
- Banners shall be 70 feet horizontally and 10 feet vertically. The minimum lettering size is 24 inches high, and banners are required to be produced in nylon with eyelet holes in each corner no more than 35 inches.
- Political, commercial and personal messages on banners will not be approved.
- Banners publicizing Treasure/Yerba Buena Island messages and events will receive first priority.
- See YBI Tunnel Policy for complete information.
- Copy of Permit is attached for your information.

IN SIGNING THIS FORM, THE REQUESTER HEREBY AGREES TO COMPLY WITH ALL OF THE FOLLOWING REQUIREMENTS. IF THE REVOCABLE PERMISSION TO PLACE A BANNER ABOVE THE YERBA BUENA TUNNEL IS GRANTED, AS EVIDENCED BY THE TREASURE ISLAND DEVELOPMENT AUTHORITY'S EXECUTION OF THIS REQUEST, SUCH REVOCABLE PERMISSION SHALL BE SUBJECT TO THE FOLLOWING CONDITIONS:

1. The permission granted hereunder is merely a revocable license. The Treasure Island Development Authority ("TIDA") may revoke the permission at will for any reason whatsoever including, but not limited to, the need to replace Requestor's banner with an emergency public service or safety announcement. Upon the revocation, TIDA shall cause the Department of Public Works to remove the banner.

2. The permission shall not be assignable except with the prior written consent of TIDA.

3. In consideration of the permission being granted, Requestor, on its behalf and that of any permitted successor or assign, promises and agrees to perform all the terms of this permission and to comply with all applicable laws, ordinances and regulations.

4. Requestor agrees on its behalf and that of any successor or assign to hold harmless, defend, and indemnify TIDA and the City and County of San Francisco, including, without limitation, each of its commissions, departments, officers, agents and employees (hereinafter collectively referred to as the "Indemnified Parties") from and against any and all losses, liabilities, expenses, claims, demands, injuries, damages, fines, penalties, costs or judgments including without limitation, attorneys' fees and costs (collectively "claims") of any kind allegedly arising directly or indirectly from (i) any act by, omission by, or negligence of, Requestor or its contractors, or the officers, agents, or employees of either, in connection with this permission, or while in or about the property subject to this permission for any reason connected in any way whatsoever with the activities authorized under this permission, (ii) any accident or injury to Requestor or any contractor, or any officer, agent, or employee of either of them, for any reason connected with the activities authorized under this permission, or arising from liens or claims for services rendered or labor or materials furnished in or for the activities authorized under this permission, (iii) injuries or damages to real or personal property, goodwill, and persons in, upon or in any way allegedly connected with this permission from any cause or claims arising at any time, and (iv) any release or discharge, or threatened release or discharge, of any hazardous material caused or allowed by Requestor in, under, on or about the property subject to this permission or into the environment. As used herein, "hazardous material" means any substance, waste or material which, because of its quantity, concentration of physical or chemical characteristics is deemed by any federal, state, or local governmental authority to pose a present or potential hazard to human health or safety to the environment.

5. Requestor must hold harmless, indemnify and defend the Indemnified Parties regardless of the alleged negligence of an Indemnified Party or any other party, except only for claims resulting directly from the sole negligence or willful misconduct of an Indemnified Party. Requestor specifically acknowledges and agrees that it has an immediate and independent obligation to defend the Indemnified Parties from any claim which actually or potentially falls within this indemnity provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Requestor by an Indemnified Party and continues at all times

thereafter. Requestor agrees that the indemnification obligations assumed under this permission shall survive expiration of the permission.

6. Requestor shall obtain and maintain through the terms of this permission general liability insurance with not less than $1,000,000 of coverage to protect TIDA and the City against claims for damages for personal injury, accidental death and property damage allegedly arising from any activities under this permission. Such insurance shall in no way limit Requestor's indemnity hereunder. Certificates of insurance, in form and with insurers satisfactory to TIDA and the City, evidencing the coverage above and naming TIDA and the City as additional insureds, shall be furnished to TIDA and the City before commencing any activities under this permission, with complete copies of policies furnished promptly upon TIDA or City request.

Requestor:

By:_____

Name: _____

Its:_____

Treasure Island Development Authority

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
CITY ATTORNEY

By: _____
Deputy City Attorney

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TENTATIVE
2007 YBI TUNNEL BANNER SCHEDULE

MONTH	BANNER LANGUAGE	COMPANY
JANUARY	Woodsmoke Spare the Air Message	O'Rorke, Inc. for Bay Area Air Quality Management District
FEBRUARY	Consider the Alternative Ride BART	BAY AREA RAPID TRANSIT (BART)
MARCH	Recycle Food Scraps Reduce Landfill Waste	Stopwaste.org
APRIL	511-Ride Share	Swirl Ad agency for MTC
MAY	AC Transit	Promotion for AC Transit's Transbay bus service.
JUNE	DPW City-wide Sponsored Event	San Francisco Department of Public Works
JULY1-15	DPW City-wide Sponsored Event	San Francisco Department of Public Works
JULY16-31	311 Project	311 Project
AUGUST	JSCO Housing Rental Banner for TI/YBI	John Stewart Company Treasure Island Villages
SEPTEMBER	BART	BAY AREA RAPID TRANSIT (BART)
OCTOBER	MTC-511 Traffic Message	Swirl Ad agency for MTC
NOVEMBER	MTC-511 Traffic Message	Swirl Ad agency for MTC
DECEMBER	Consider the Alternative Ride BART	BAY AREA RAPID TRANSIT (BART)

AGENDA ITEM 14
Treasure Island Development Authority
City and County of San Francisco
Meeting of March 14, 2007

Subject: Informational Presentation on the Community Process and Recommendations for the Expenditure of the Developer Funds (*Discussion Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0669

BACKGROUND

On November 11, 2005, the Treasure Island Development Authority Board (Authority Board) approved Resolution #05-041-11/09, directing TIDA Project Staff and the Mayor's Office of Neighborhood Services (MONS) to engage in a community outreach process for the purpose of establishing priorities for expenditure of the one time only Developer Fund to benefit the Treasure Island community. On June 1, 2006, Jack Sylvan of the Mayor's Office of Base Reuse and Development sent the first of two invoices seeking reimbursement from the Developer in the amount of $466,812. The second invoice in the amount of $588,432 was sent January 22, 2007. The total amount of the Developer Fund is therefore $1,055,244. See Exhibit A.

Under the guidance of Daniel Homsey, Director of the Mayor's Office of Neighborhood Services and Joanne Sakai, Deputy Executive Director of the San Francisco Redevelopment Agency acting in her capacity as interim TIDA Executive Director, several public meetings were held to gather information from the community. The purpose of the meetings were to create a list of needs identified by the community that could be addressed or remedied through a one-time expenditure of the Developer Fund (Exhibit B). In addition, numerous internal meetings were held with stakeholders in order to guide the process and chart progress. Stakeholders active throughout the process were TIDA, the Treasure Island Homeless Development Initiative (TIHDI), The John Stewart Company (JSCo), and the San Francisco Islands Community Association (SFICA). For the purpose of this process, the collective stakeholders were named T.I. United.

T.I. United took on the task of compiling the needs and wants of the community. Some of the items from this initial list could be addressed immediately by one or several of the T.I. United stakeholders. The remaining items were categorized into activities, programmatic and capital projects and then prioritized. The process by which the needs and wants of the Island community were identified and prioritized was iterative.

The Process

The first community meeting was held on December 3, 2005 to engage the community and allow the community to create an initial master "wish list".

A second community meeting was held in March of 2005 to present the progress by T.I. United on the wish list. The group decided that a series of workshops dedicated to the specific community needs would be the best means to solicit feedback and to prioritize the wish list. These workshops were held in May and June of 2005 and refined the wish list further. Between these workshops, T.I. United met numerous times to analyze the items on the wish list and address priorities, redundancies, and remove items which did not fall within the scope of the task. TI United's work on the wish list was presented at the subsequent community meetings, keeping the community informed of the task and progress every step of the way. The list of the community and T.I. United meetings and workshops is attached as Exhibit C.

Public outreach to the residents for the community meetings was accomplished in four ways:

1. Flyers hand delivered to all units via the John Stewart Company; Exhibit D.
2. Invitation posted on the two resident community websites 94130.net and 94130.com, and on the TIDA website.
3. Announcements placed prominently at the main gate to Treasure Island with all pertinent information.
4. Neighborhood canvassing and outreach conducted by SFICA.

At the conclusion of the workshops, the following Developer Fund list was presented to Project Staff as the needs and priorities of the Island community.

Youth and Services Workshop

1. A Library
2. Playground
3. Affordable Day Care
4. Extra Curricular Activities for the Youth
5. Tutoring and Mentoring programs for the Youth
6. Treasure Island Movie Night
7. Skate Board Park
8. Lights on the Tennis Courts

Economic Development Workshop

9. A General store
10. Crafts Stalls/Small Business Fund

Services Workshop

11. Shuttle Service
12. Dog Run

In September 2006 when Mirian Saez became Director of Island Operations, one of her first tasks was to review this list of community needs and priorities, and begin the planning process. On December 19, 2006, Ms. Saez and TIDA Project Staff met with City Librarian Luis Herrera to discuss the potential of a San Francisco Public Library Treasure Island branch, consistent with item #1 on the list. After discussing all of the options, it was agreed that a library or any variation was too costly, requiring a significant amount of capital to establish and on-going capital to sustain. Mr. Herrera agreed, however, to find a creative way to bring books to the

Island--perhaps modeling the Netflix system, at no cost to the Island. As a result of this meeting, the library item was then removed from the list as a Developer Fund expenditure.

The Treasure Island Movie Night, item # 6, is supported by a $3000 grant provided by Comcast to TIHDI to purchase equipment for community movie nights. These funds area available to an on Island entity who is willing to organize and operate such a program. As a result, this item was removed from the list as a Developer Fund expenditure.

The Lights on the Tennis Courts, item #8, were repaired in September of 2006. The Dog Run, item #12, as well as other pet issues is in the process of being organized by SFICA. Hence, items #8 and #12 were removed from the list for Developer Fund expenditure.

The Shuttle, item #11, and General Store, item #9, would be most effectively addressed by rerouting the Muni 108 bus to King Street, where residents would have access to the Safeway, the Mission Bay Library, as well as a variety of other stores and restaurants. Ms. Saez has begun a dialogue with the Municipal Transportation Agency to ensure that Treasure Island is part of the Transit Effectiveness Program and to ensure that the community is given an opportunity to voice their demands on the routing.

On January 26, 2007, Ms. Saez met with Executive Director Sherry Williams of TIHDI to review the Developer Fund expenditure list. Both Ms. Saez and Ms. Williams agreed that the list was an accurate reflection of the community's needs. Parties agreed that funding Kidnago would provide residents the opportunity for affordable day care, item #3. Parties also agreed that funding The Boys and Girls Club would address the need for tutoring and mentoring of Island youth, item # 4 and #5. The Boys and Girls Club service all Island youth. And lastly, the two agreed that funding the TIHDI Self Sufficiency Program would provide needed economic development opportunities to those most in need of assistance, both program and non-program members, item #10.

After further review of the Developer Fund list, Project Staff identified an important missing item: community need for emergency preparedness. While this item was not specifically requested by the community, there can be no doubt about its benefit for all Island residents.

The following Developer Fund list for expenditures in 2007 are recommended by TIDA Project Staff .

1. The Playground Site to be Determined	$289,000
2. Kidango for Affordable Childcare Exhibit E	$25,000
3. The Boys and Girls Club For Extra curricular activities such as tutoring, mentoring, and mental health programs for youth Exhibit E	$80,000
4. Skate Board Park Site to be determined	$30,000
5. TIHDI Self Sufficiency Program	

For Crafts Stalls/Small Businesses/Economic Development Exhibit E	$50,000
6. Emergency Preparedness For planning and supplies	$75,000
Total	$549,000

With the exception of the General Store, all items from TI United's wish list have been addressed, fulfilling the directive of Resolution 05-041-11/09. Any remaining balance of the Developer Fund will be carried over to fiscal year 2007/2008, at which time any further identified needs will be brought to the TIDA Board for review and approval.

EXHIBITS

Exhibit A	Letters requesting reimbursement from TICD
Exhibit B	Spread Sheet from December 3, 2005 Town Hall Meeting
Exhibit C	A full list of the community and internal T.I. United meetings
Exhibit D	Copy of Flyer sent to community regarding workshops
Exhibit E	Copies of letters requesting developer's funds

Prepared by: Marianne Mazzucco Thompson, Public Information Officer
For: Mirian Saez, Director of Island Operations

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CITY & COUNTY OF SAN FRANCISCO

OFFICE OF BASE REUSE AND DEVELOPMENT
CITY HALL, ROOM 448
1 DR. CARLTON B. GOODLETT PLACE
SAN FRANCISCO, CA 94102
415.554 5313 FAX 415.554 6018

GAVIN NEWSOM, MAYOR

June 1, 2006

Treasure Island Community Development, LLC
c/o Stephen Proud
Lennar
49 Stevenson, Suite 600
San Francisco, CA 94105

Subject: Transaction Cost Report for Reimbursement for TIDA Transaction Costs – July 1, 2005 through December 31, 2005

Mr. Proud:

Pursuant to Section 3.2 Authority/City Costs (b) Transaction Costs of the amended And restated Exclusive Negotiation Agreement, the Developer, Treasure Island Community Development, has agreed to pay a portion of the Authority's Transaction Costs in an amount not to exceed Four Million Dollars ($4,000,000) during the Exclusive Negotiation Period, including extensions (the "Authority Reimbursement Cap").

Subject to this agreement, the Authority is submitting the following Transaction Cost Report in the amount of $466,812.08 for services paid by the Authority during the period from July 1, 2005 through December 31, 2005 in accordance with the Agreement. These costs are summarized as follows:

CONSULTANT CATEGORY:	Amounts Paid	Inv#	Invoice Period	Date Processed	Totals
Geomatrix	12,336.06	39203	7/01/2005 thru 7/28/2005	9/28/2005	
	12,164.18	39526	7/29/2005 thru 8/25/2005	9/28/2005	
	15,471.03	40325	8/26/2005 thru 9/29/2005	11/15/2005	
	18,228.79	41144	9/30/2005 thru 10/27/2005	2/1/2006	
	6,758.75	4850.005	10/28/2005 thru 11/24/2005	1/5/2006	
	15,726.46	42197	11/25/2005 thru 12/29/2005	2/1/2006	80,685.27
EPS	3,969.22	12100.29	7/01/2005 thru 7/30/2005	8/31/2005	
	566.25	12100.3	8/01/2005 thru 8/31/2005	10/7/2005	
	2,770.00	12100.31	9/01/2005 thru 9/30/2005	10/24/2005	
	12,957.62	12100.32	10/01/05 thru 10/31/2005	5/30/2006	
	4,967.50	12100.33	11/01/2005 thru 11/30/2005	1/3/2006	
	13,679.89	1200.34	12/01/2005 thru 12/31/2005	2/1/2006	38,910.48
URS	4,353.21	1815204	6/17/2005 thru 7/15/1005	8/4/2005	
	4,129.82	1857198	7/16/2005 thru 8/12/2005	8/30/2005	
	2,264.07	1925437	8/13/2005 thru 9/16/2005	10/7/2005	
	901.53	2096820	9/17/2005 thru 12/16/05	1/5/2006	11,648.63

	Amounts Paid	Inv#	Invoice Period	Date Processed	Totals
Nelson/Nygaard (1)	6,882.50	0002165-IN	11/1/05 thru 11/30/05	4/10/2006	
	12,765.00	0002324-IN	12/1/05 thru 12/31/05	4/10/2006	19,647.50
				Subtotal	150,891.88
CITY DEPARTMENT CATEGORY:					
Department of Public Works			Causeway/Viaduct Study Local Match		135,000.00
City Attorney's Office					40,560.00
San Francisco Redevelopment Agency (2)					1,046.63
Mayor's Office of Base Reuse					139,313.57
				Subtotal	315,920.20
TOTAL REIMBURSEMENT					$466,812.08

(1) Via contract through SF County Transportation Authority
(2) Staff time of Kurt Fuchs and Tom Evans

Per Section 3.2(b) of the ENA, the Developer shall pay to the Authority within 30 days receipt of the Transaction Cost Report the amount of the Transaction Costs set forth therein.

Please remit payment to:
Jack Sylvan
Mayor's Office of Base Reuse and Development
City Hall, Room 448
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Please contact me with any questions at (415) 554-5313.

Regards,

Jack Sylvan
Mayor's Office of Base Reuse and Development

With copies (w/o enclosure) to:

Jay Wallace
KSWM
One Ferry Building, Suite 350
San Francisco, CA 94111

Kheay Loke
KSWM
4 Embarcadero Center, Suite 3330
San Francisco, CA 94111

CITY & COUNTY OF SAN FRANCISCO

OFFICE OF BASE REUSE AND DEVELOPMENT
CITY HALL, ROOM 448
1 DR. CARLTON B. GOODLETT PLACE
SAN FRANCISCO, CA 94102
415.554.5313 FAX 415.558.7844

GAVIN NEWSOM, MAYOR

January 22, 2007

Treasure Island Community Development, LLC
c/o Stephen Proud
Lennar
49 Stevenson, Suite 600
San Francisco, CA 94105

Subject: Transaction Cost Report for Reimbursement for TIDA Transaction Costs – January 1, 2006 through June 30, 2006

Mr. Proud:

Pursuant to Section 3.2 Authority/City Costs (b) Transaction Costs of the Amended And Restated Exclusive Negotiation Agreement, the Developer, Treasure Island Community Development, has agreed to pay a portion of the Authority's Transaction Costs in an amount not to exceed Four Million Dollars ($4,000,000) during the Exclusive Negotiation Period, including extensions (the "Authority Reimbursement Cap").

Subject to this agreement, the Authority is submitting the following Transaction Cost Report in the amount of $588,432.34 for services incurred by the Authority during the period from January 1, 2006 through June 30, 2006 in accordance with the Agreement. These costs are summarized as follows:

Amounts Paid	Inv#	Invoice Period	Date Processed	Totals
CONSULTANT CATEGORY:				
Geomatrix				
14.806.25	42909	12/30/05 thru 1/26/06	3/6/2006	
8.146.68	43164	1/27/2006 thru 2/23/06	3/6/2006	
12.440.12	44001	2/24/06 thru 3/30/06	5/16/2006	
10.877.20	44678	03/31/06 thru 4/27/06	6/6/2006	
10,928.75	45223	04/28/06 thru 05/25/06	8/11/2006	
22.547.50	46277	05/26/06 thru 06/29/06	8/11/2006	
				79,746.50
EPS				
9.443.02	2100.35	1/01/06 thru 1/31/06	3/6/2006	
15,902.72	2100.36	2/21/06 thru 2/28/06	5/3/2006	
13,520.05	2100.37	3/01/06 thru 3/31/06	5/11/2006	
4.156.00	12100.38	4/1/06 thru 4/30/06	Pending	
8590.33	12100.39	5/1/06 thru 5/31/06	8/11/2006	
2.863.30	12100.41	6/1/06 thru 6/30/06	Pending	
				54,475.42

URS					
	11,472.21	235810	12/17/05 thru 06/16/06	8/11/2006	
					11,472.21
Nelson/Nygaard (1)					
	6,968.97	0002380-IN	1/1/06 thru 1/31/06	4/10/2006	
	1,863.99	0002476-IN	2/1/06 thru 2/28/06	4/10/2006	
	2,355.00	0002626-IN	3/1/06 thru 3/31/06	6/28/2006	
	3,089.29	0002756-IN	4/1/06 thru 4/30/06	Pending	
	3,766.64	0002870-IN	5/1/06 thru 5/31/06	Pending	
	1,050.00	0003014-IN	6/1/06 thru 6/30/06	Pending	
					19,093.89
CH2MHILL					
	21,242.02	5036606	thru 10/28/06	6/28/2006	
					21,242.02
Public Financial Management (2)					
	28,825.00	068531-0-0	7/1/2005 thru 7/31/06	12/20/2006	
					28,825.00
				Subtotal	**214,855.04**
CITY DEPARTMENT CATEGORY:					
Department of the Environment					**10,000.00**
DPW Infrastructure Development & Acquisition Taskforce (3)					**19,278.00**
City Attorney's Office					**190,506.77**
San Francisco Redevelopment Agency (4)					**2,637.49**
Mayor's Office of Base Reuse					**151,155.04**
				Subtotal	**373,577.30**
TOTAL REIMBURSEMENT					**$588,432.34**

(1) Via contract through SF County Transportation Authority
(2) Via contract through Mayor's Office of Public Finance
(3) DPW IDAT Contracted with Environmental & Construction Solutions for cost estimate review
(4) Staff time of Kurt Fuchs, Tom Evans & Nicole Franklin

Per Section 3.2(b) of the ENA, the Developer shall pay to the Authority within 30 days receipt of the Transaction Cost Report the amount of the Transaction Costs set forth therein.

Please remit payment to:
Michael Cohen
Office of Base Reuse and Development
City Hall, Room 448
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Please contact me with any questions at (415) 554-5313.

Regards,

Jack Sylvan
Office of Base Reuse and Development

With copies (w/o enclosure) to:

Jay Wallace
KSWM
One Ferry Building, Suite 350
San Francisco, CA 94111

Kheay Loke
KSWM
4 Embarcadero Center, Suite 3330
San Francisco, CA 94111

Eileen Malley
Office of the City Attorney
City Hall, Room 234
San Francisco, CA 94102-4682

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Youth & Quality of Life			
Issue	Priority	Department	Status
Affordable Daycare			
Bowling Alley / Fix the Pool (heated) / skateboarding park			
Bookmobile library w/ schedule			
Rec / Gym - gym, bathroom / showers as community center / childrens playground			
Religious institutions - dedicated location			
Children - family park / playground / max use of city resources / organized sports / league sports / more after school activities / mentoring / community involvement / resources			
Community meeting space / WiFi, newspapers, longer hours			
Dedicated arts / performance venue			
Short term leases or service providers			
Mobile trucks?			
Marketing organic gardening			
Portable buildings for enterprises			
More community gatherings on island			
Community Health - DPH Pprograms			
Dog run			
Property management - leaky bathrooms			
Community newsletter			

Governance			
Issue	Priority	Department	Status
Tennancy - enforcement of rules uniformly			
Caltrans - Took fire station down for 3M, where is the money, where is firehouse?			
Rent $ to general fund should come back			
Input in planning / redevelopment / budget			
Notice of meetings / more outreach / more timely			
Navy meetings			
TIDA meetings on island / notice			
CAB meetings on island / more residents on TIDA/CAB			
Open accessible process to manage budget / budget clarity and funding better appropriation of resources			
Governance / more imput			
The developers $1.8 million / how will it be spent?			
Communications / within community / with TIDA / Improve facilities to facilitate communications			
SFICA - 501 C3 designation			
TIDA administrator / responsive to community / voice in choosing administrator			
Outreach / communications / more effective communications, resources, events / media / coordination of info / signboard at more visible sight / info line			
Transportation - impact on enterprise and access to services / delays due to retrofit / better communications with State/Fed			
Transition on TI/YBI / explanation of rights / credits / priorities / afordability / subsidies			

Services			
Issue	Priority	Department	Status
MUNI - better schedule / better routes / on time / advance notice of changes / crime and disturbance on bus and terminals			
funding for gym staff			
equipment and exercise			
dedicated athletic field			
tennis courts and lights			
Who's who - directory of personnel, groups, description of services / resource guide / accountability			
Trash cans - garbage left on street (residents and sanitary workers)			
Gas stations air pumps			
Improved common area maintainance / visible to street as well as not visible to street.			
Fix roads / Ave. B, Ave. J, Ave. of Palms, Ave. M, Gateview			
More bus shelters			
Better cell phone service			
Community Health - DPH Programs			
Garbage / increase frequency of neighborhood clean up / increase number of large dumpsters			
Property management - light bulbs - unstable electricity			

Public Safety & Health			
Issue	Priotrity	Department	Status
Yield sign at entrance			
Tourist safety at gate - better road markings and signs (crosswalk by gate)			
Police and Fire protection - updated fire equipment / greater police presence / crime stats			
Emergency Response (ECD)			
More patrols of abandoned buildings / clean abandoned buildings / rodents / crime / safety			
Dog fights on YBI			
Leash law enforcement - signage / bags / receptacles			
MUNI - crime and disturbance on bus and terminals			
Lighting - fix street lights / add more / motion sensor			
Homeless - encampment and car			
YBI / TI Rodents, feral cats, raccoons			
School safety issues / busing kids and safety of kids			
Feral cats / on Yuerba Buena Island and Treassure Island			
Better road markings and signs at gate - enterance			
Community Health - DPH Programs			
Caltrans - exit, entrance / better ramps / better signage			
Property management - mice in vacant buildings / broken window in vacantbuildings			
Toxicity in island / knowledge of water quality safety			

Economic Development			
Issue	Priority	Department	Status
Jobs on the Island			
Café - longer hours / wifi / newspapers			
General level of services / general store / food salon, etc delays due to retrofit			
Retail / gas station / grocery store			
Enterprise and self sufficency / general store / farmers market / craft fair / flea market / Co-op residents / retail center / Food Bank (increase to 2 times a week) / increase quality of food / Renaissance contact / special events / employ island residents			
Laundromat - triple loader			
Enterprise Zone / speed permitting process			
Ship Shape - expand / renovate			

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Exhibit C

December 3 Town Hall meeting

The community created a master wish/needs list under five categories Youth, Governance, Services, Public Safety, and Economic Development.

Individuals present, Marc McDonald (TIDA), Reggie Harriston (JSCo), Emily Rappaport (SFICA), Daniel Homsey (MONS), Adrian Harper (TIHDI), Marianne Thompson (TIDA), Joanne Sakai (TIDA), Sherry Williams (TIHDI), and 35 members of the community.

Exhibit B

December 8 TI United meeting

Meeting held with TIHDI and TIDA to discuss the community's wish list and to asses which items could be handled in the immediate, such as street lighting and pot holes.

Individuals present, Joanne Sakai (TIDA), Marc Mc Donald (TIDA), Adrian Harper (TIHDI), Sherry Williams (TIHDI), Marianne Thompson (TIDA)

January 9 TI United meeting

Meeting held at TIHDI to review Town Hall spread sheet and to remove items related to leasing such as leaky faucets and refuse collection.

Individuals present, Marc McDonald (TIDA), Reggie Harriston (JSCo), Adrian Harper (TIHDI), Sherry Williams (TIHDI), Marianne Thompson (TIDA)

January 11 TI United meeting

A third review of the list to refine it more and to create an overall strategy for further vetting the list. A decision was made to hire a facilitator to assist TI United with the process as well as to facilitate future community meetings.

Individuals present, Daniel Hemsey (MONS), Reggie Harriston (JSCo), Emily Rappaport (SFICA), Adrian Harper (TIHDI), Marianne Thompson (TIDA), Joanne Sakai (TIDA), Sherry Williams (TIHDI)

February 17 TI United meeting

The community's list was presented to Yolanda Alindor, the facilitator. A strategy was created for prioritizing Island needs through a series of community workshops, as well as an educational process for the community with regards to TIDA's budget, and the future redevelopment of the Island. A few of the items on the list showed a lack of the community's understanding of the budget process as well as the impact the future development had on the present day.
Individuals present, Marc McDonald (TIDA), Reggie Harriston (JSCo), Emily Rappaport (SFICA), Daniel Homsey (MONS), Adrian Harper (TIHDI), Marianne Thompson (TIDA), Don Hughes (SFICA), Yolanda Alindor

February 18 The Department of Children Youth and Family Services (DCYF)
DCYF Hosted a community meeting to gather information on prioritization of children's needs and subsequent DCYF funding on the Island. DCYF's final list had tutoring, mentoring and mental health with in its top five requests.
Individuals present, Marianne Thompson (TIDA), Yvette Phillips-Aldama (TIHDI), Emily Rapaport (SFICA), and 23 community members

March 1 TI United meeting
In an effort to address facilities and infrastructure issues from the community's list a meeting was held with members of various city agencies to asses priorities, and assign tasks, as well as to achieve these goals and stay within TIDA's budget.
Individuals present, Mario Montoya, Department of Public Works (DPW), Jason Chan MONS, Jeff Hamilton, Municipal Transportation Agency (MTA), Bryant Woo Department of Parking and Traffic (DPT), Marc Mc Donald (TIDA), Juan Garcia MTA Paint Shop, Reginald Harriston (JSCO), Avo Sarkissan (DPW), Patrick Stanahan San Francisco Fire Depratment (SFFD), Sgt. Michael Burkley San Francisco Police Department (SFPD), Mike Macario (MTA), Noel Laffey (DPT), Patrick Malleydaly (DPT), Marianne Thompson (TIDA), Yolanda Alindor

March 14 TI United meeting

Following up on the city agencies meeting, a further review and refinement of the community's list was held. During this meeting it was agreed that future monthly, community meetings would have a representative from each organization or city agency to explain where TI United was in the process of the community list as well as any actions taken. Further, it was agreed that Governance would be removed from the list as residents on the Island should have the same level of access to government as residents in the city, no more and no less.
Individuals present, Marc McDonald (TIDA), Reggie Harriston (JSCo), Emily Rappaport (SFICA), Daniel Homsey (MONS), Adrian Harper (TIHDI), Marianne Thompson (TIDA), Yolanda Alindor

March 15 TI United/Community meeting
Update given to the community with revised spread sheets, and types of workshops proposed. After community input, three days were selected for the community workshops.
Individuals present, Yolando Alindor, Marianne Thompson (TIDA), Emily Rapaport (SFICA), Yvette Phillips-Aldama (TIHDI), and 21 community members.

March 24 TI United meeting
The stakeholders worked with the facilitator to organize the content and format of the workshops.
Individuals present, Reggie Harriston (JSCo), Emily Rappaport (SFICA), Daniel Homsey (MONS), Marianne Thompson (TIDA), Yolanda Alindor

April 3 TI United meeting
Meeting held to organize outreach to the community for the three workshops.
Individuals present
Reggie Harriston (JSCo), Emily Rappaport (SFICA, Marianne Thompson (TIDA)
Exhibit C

May 11 TI United Workshop
Youth and Services Workshop

The facilitator and members of TI United met with children and parents who live on the Island reviewing and prioritizing the youth and services list.
Individuals present, Yolanda Alindor, Marianne Thompson (TIDA), Emily Rapaport (SFICA), Yvette Phillips-Aldama (TIHDI), and ten residents

May 18 TI United workshop
Economic Development
Members of TI United met with residents to review the Economic Development list, and to prioritize it.
Individuals present, Marianne Thompson (TIDA), Emily Rapaport (SFICA), Yvette Philips-Aldama (TIHDI), and four residents

June 22 TI United workshop
Services
Members of TI United met with residents to review the Services list, and to prioritize it.
Individuals present, Marianne Thompson (TIDA), Emily Rapaport (SFICA), Yvette Philips-Aldama (TIHDI), and four residents

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Upcoming Workshops

May 11th - Youth Workshop - 6 pm - Ship Shape

May 18th - Economic Development Workshop - 7 pm - Ship Shape

June 22nd - Services and Communications Workshop - 7 pm - Ship Shape

Note: All Workshops are essential to the prioritizing and budgeting of the developer reimbursed funds, Your participation is necessary and will be greatly appreciated.

RECYCLED
80000 SERIES
10% P.C.W.

4533 Mattos Drive
Fremont, CA 94536
Ph 510.744.9280
Fax 510.744.9374
www.kidango.org

kidango
Educating Children, Inspiring Our Future

ENTERED
MAR 2007
TREASURE ISLAND DEVELOPMENT AUTHORITY

Mirian Saez
Director of Island Operations for Treasure and Yerba Buena Islands
1 Palm Drive
San Francisco, CA 94130

February 28, 2007

Dear Mirian Saez,

Kidango has provided quality child development services to the residents of Treasure Island since March 2003. Under our care, children have grown and successfully transitioned to kindergarten. Their parents have been able to participate in employment, training and rehabilitation activities, knowing their children were being nurtured and safe. Families were supported on their path to self-sufficiency.

The child development center is the former Navy facility, which required extensive renovations to make it a safe and appropriate place for children and staff. It had suffered from years of neglect and deferred maintenance. We continue to incur higher than average maintenance and repair expenses at this facility as compared to the 40 other facilities we operate. This is one of the factors contributing to an operating deficit at this facility.

We request the support of the Treasure Island Development Authority for the operation of the child development center. Your general operating support of $25,000 would help the long term viability of the center be more feasible. Kidango seeks your support so that the existing services to children and families on Treasure Island are not lost.

Sherry Williams from TIHDI spoke with you about the possibility of providing scholarships for families. Recently this has not been an identified need for us. Operational support would be a greater benefit to Kidango at this time. In addition, the limited term would require us to terminate services to children at the end of the year.

I have attached an overview of the center with some additional information. Please feel free to contract me if you have any questions.

Sincerely,

Paul B Miller

Paul B. Miller
Executive Director
Phone: 510-744-9280 x 24
Mobile: 510-708-5474
Email: pmiller@kidango.org

4533 Mattos Drive
Fremont, CA 94536
Ph 510.744.9280
Fax 510.744.9374
www.kidango.org

kidango
Educating Children,
Inspiring Our Future

Kidango Treasure Island Center

Kidango provides full day, year round child care and child development services to children from 0 – 5 years of age. Our current enrollment is 11 infants, 11 toddlers and 44 preschool children.

Our primary source of funding is a fee-for-service contract with the California Department of Education, Child Development Division. Four children pay full fee and two children use vouchers from alternative payment programs to pay for services. The remaining 60 children have their fees subsidized under our contract with the California Department of Education (CDE). The reimbursement rate from CDE does not come close to the full cost of providing a quality child development experience for children. The support received from the Department of Children, Youth and their Families helps to close some of the gap of over $442.00 per month per child.

Our mission: Kidango inspires all children and their families by promoting their potential and diversity through quality education and nurturing relationships.

Most children served by Kidango are from families on Cal WORKS or at risk of being on Cal WORKS. Typically these families are below 50% of the state median income. Family status also may include: homeless and formerly homeless children; parents in job training programs; parents in substance abuse recovery; children of abuse, neglect or domestic violence who also need care to assure their protection and promote family economic self sufficiency.

We opened the Treasure Island Child Development Center in March 2003 with the support of the Department of Human Services (DHS), Department of Children, Youth and their Families (DCYF), Low Income Investment Fund (LIIF), and the Treasure Island Homeless Development Initiative (TIHDI). It is the only licensed child care facility on the island.

Teachers design curriculum based upon the children's interests and developmental assessments. The curriculum is child centered rather than a set curriculum so it reflects the interests and cultures of the children in each classroom. Teachers observe children and perform developmental assessments using the Desired Results Developmental Profile (developed by the California Department of Education).

Teachers regularly conference with parents to the review progress of and set goals for each child. This is also an opportunity to find out what the families' other needs may be. Families are linked to other services available through our TIHDI partners, especially those located across the parking lot at the Family Services Center. To further enhance children's success, mental health services are provided to families in collaboration with the Homeless Children's Network at our center.

4533 Mattos Drive
Fremont, CA 94536
Ph 510.744.9280
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Most children served by Kidango are from families on Cal WORKS or at risk of being on Cal WORKS. Typically these families are below 50% of the state median income. Family status also may include: homeless and formerly homeless children; parents in job training programs; parents in substance abuse recovery; children of abuse, neglect or domestic violence who also need care to assure their protection and promote family economic self sufficiency.

We opened the Treasure Island Child Development Center in March 2003 with the support of the Department of Human Services (DHS), Department of Children, Youth and their Families (DCYF), Low Income Investment Fund (LIIF), and the Treasure Island Homeless Development Initiative (TIHDI). It is the only licensed child care facility on the island.

Teachers design curriculum based upon the children's interests and developmental assessments. The curriculum is child centered rather than a set curriculum so it reflects the interests and cultures of the children in each classroom. Teachers observe children and perform developmental assessments using the Desired Results Developmental Profile (developed by the California Department of Education).

Teachers regularly conference with parents to the review progress of and set goals for each child. This is also an opportunity to find out what the families' other needs may be. Families are linked to other services available through our TIHDI partners, especially those located across the parking lot at the Family Services Center. To further enhance children's success, mental health services are provided to families in collaboration with the Homeless Children's Network at our center.

BOYS & GIRLS CLUBS
OF SAN FRANCISCO

ENTERED
MDMS FILE
FEB 2007

February 21, 2007

Treasure Island Development Authority
Marianne Mazzucco Thompson
410 Avenue of the Palms
Treasure Island
San Francisco, CA 94130

Dear Ms. Thompson,

Thank you for considering this $80,000 request for support from Treasure Island Development Authority to the Treasure Island Boys & Girls Club: $30,000 for mental health services and $50,000 for education programs. Sherry Williams has been a loyal champion for our work with young people on the Island and I want to offer my appreciation to her for advocating on our behalf.

Boys & Girls Clubs of San Francisco has operated a Club on site at the Treasure Island Elementary School since the summer of 2000. Now in our 6th year of operation here, it is clear the need for our services is strong. There are approximately 325 school-aged children and teens on Treasure Island and our agency serves about 70% of these young people, with an annual membership of 226. Over 50 young people a day during the school year, and 70 a day during the summer, *choose* to spend their out-of-school time at the Club.

Age group percentages we serve are: 60% are 6-9 year olds, 22% are 10-12, and 18% are teens. Ethnicity percentages are: 41% African American, 5% Caucasian, 24% Latino, 4% Chinese, 1% Filipino, 1% Pacific Islander, 2% Vietnamese, 1% Native American, 1% Other Asian and 20% Other or Multi-Ethnic. Members' household income is self-reported as: 86% extremely low income, 9% very low income and 5% low income.

Mental Health Request. As you are aware from your work on Treasure Island, the children we serve are often living in families with multiple traumas. Recovering from homelessness, lack of financial stability, health issues, incarceration, substance abuse problems, these families need support to ensure these children reach their potential. The mission of BGCSF is to *inspire and enable all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible and caring citizens.* We believe that our work on Treasure Island is a critical manifestation of our agency bringing our mission statement to life.

55 Hawthorne Street, Suite 600 • San Francisco, CA 94105 • Tel: 415.445.KIDS (5437) • Fax: 415.445.5435 • www.bgcsf.org

Over the last five years, responding to evident need, BGCSF slowly but forcefully has increased its focus on programs that met the behavioral health needs of youth members. This year, a Club staff survey overwhelmingly confirmed: the agency needs clinically trained staff on-site and members would benefit from behavioral health services. Psycho-social issues of Club members on Treasure Island challenge and, at times, overwhelm Club staff. In many instances, we know that a member can benefit from increased participation at the Club but psycho-social challenges prevent and distract them from moving forward. Substance abuse, post-traumatic stress, depression, sexual assault, domestic violence, prostitution and suicidal ideation are some issues that are beyond staffs' training and capacity to offer appropriate interventions. Efforts to refer a youth/family for behavioral health services outside of the Club are often met with a wait list or dead end. Alternatively, youth express reluctance to seek out services in an unfamiliar setting.

What we propose to build at the Treasure Island Boys & Girls Club is an innovative model that integrates prevention, early intervention and mental health services within a youth development "Clubhouse" setting. Significant in this model is "youth cultural competence." Young people are more likely to access services when they're offered in safe and familiar settings and in modalities that are adaptable such as brief therapy, group work and crisis intervention.

"Young people growing up in concentrated poverty are more likely to have poor health, drop out of school, be physically or sexually abused, become teen parents, and remain jobless than young people who live in socio-economically diverse neighborhoods." [1] To address these health disparities, we are committed to provide necessary group therapy and individual therapy and case management services to underserved young people on the Island. We will enhance our staffing pattern by adding a Behavioral Health Specialist (BHS) to the Treasure Island Club staff team. The BHS will provide individual, group and family interventions while also enhancing the capacity of club staff around de-escalation of psycho-social issues.

The agency has a Clinical Supervisor, LCSW, who provides oversight to the existing BHS, reviews cases weekly and monitors the work for progress and intensification of need by our members. With BHS expansion, we will increase the number of hours for this consultant role and bring in an additional Clinical Supervisor. The Clinical Supervisor function will include monitoring client progress for the purpose of evaluation. This person will be required to have evaluation experience and will thus act in the evaluator role for the Behavioral Health Program.

Education Request. Simply put, BGCSF is the only provider of after-school and summer activities for school-aged youth on Treasure Island. Our partner in our six years of service to the Island has been the San Francisco

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[1] *Impact of Poverty Report;* Rainbow Research Inc.; Minneapolis, Minnesota, 2001.

Unified School District's (SFUSD) K-8 school. With the school closing last year, our agency feels it is our obligation and responsibility to "stay put" and be a source of stability for the Island's young people. We have a dynamic, seasoned staff team on the Island and the kids trust this team. We now have three full-time and two part-time staff members. Each member of our staff team offers a critical youth development credential: a keen ability to understand and relate to our members. It is tremendously important that our staff members, who have remarkable relationships with these kids, remain constant.

Given the disruption in academic instruction experienced by Treasure Island youth, the Clubhouse needed to evaluate its education programs in order to strengthen overall educational enhancement during out-of-school time. Our first step was a recent hire of a full-time Education Director who is a credentialed teacher. These are the highlights of what education efforts will look like in 2007:

- Establish site-based youth development education support at Spring Valley and Flynn Schools, the two schools where most of the Treasure Island young people are now bused. This will involve structured education and other youth development programs offered by our staff twice a week at each school site.
- Create and implement a formal system for honoring members' education accomplishments. Members' educational progress will be shared through parent quarterly meetings and mid-year and end-of-year graduation ceremonies for members, families and community members.
- Hire three tutors to work with 15 youth twice a week each semester. This will take place in 9-week sessions with short-term, defined and attainable goals for participants.
- TI Education Director and Clubhouse Director will attend approximately 8 professional development forums focused on education over the next 12 months. This will include topics such as: Behavioral Management, Project Learn, homework help, setting up Learning Stations, understanding State School Standards, navigating SFUSD, and college prep for teens.
- Set up Learning Stations in all rooms of the Club so that when members finish their daily homework they can engage in fun, interactive learning activities.
- It is our goal to have elementary-age and middle-school age children that live on the Island dropped off at our Club by their school buses. The high school students do not have school buses, so it is important that we build a program that works for their "return" times as well.

Again, I greatly appreciate your support and look forward to hearing from you. If you have questions, please call me directly at 445-5417.

Sincerely,

Joni Lachman
Sr. Director, Institutional Gifts

Treasure Island Homeless Development Initiative (TIHDI)
Proposal to the Treasure Island Development Authority
for the Economic Self Sufficiency Program (ESSP)

Proposal Summary

The Treasure Island Homeless Development Initiative (TIHDI) is requesting support from the Citibank Foundation to implement our new Economic Self-Sufficiency Program (ESSP) for residents on Treasure and Yerba Buena Islands.

Treasure Island is home to more than 650 formerly homeless people. As of 2006, over 300 of the island's formerly homeless residents have lived here for three years or more. With their housing stabilized and their lives less driven by the day-to-day crises so inherent to homelessness, many residents are eager to work towards building greater economic security and financial freedom. The ESSP, initially envisioned by TIHDI's current core of Treasure Island Creative Network (TICN) leaders, will offer residents a comprehensive financial education program by building on TICN's initial micro-enterprise focus and incorporating asset building education and support as well as financial literacy training. **Through the ESSP, we will build a network of island residents who are committed to increasing their financial health and to building a more secure future for themselves and their families. A grant of $35,000 from the Treasure Island Development Authority will support TIHDI in this first year of ESSP program implementation.**

Applicant Organization

The mission of the Treasure Island Homeless Development Initiative (TIHDI, pronounced "tie-dye") is to provide exits from homelessness and other assistance for economically disadvantaged families and individuals through housing, employment, economic development, and support service opportunities on Treasure and Yerba Buena Islands.

A collaboration of community-based organizations, TIHDI negotiated the homeless assistance component of the federally approved plan for the re-use of Treasure Island, a former Navy base located in the middle of San Francisco Bay. This plan includes specific opportunities for TIHDI member agencies to develop and operate subsidized transitional and permanent housing for homeless individuals and families. TIHDI worked with the Navy, the City of San Francisco, multiple funders and a market rate housing provider (the John Stewart Company) to develop a housing plan that integrates formerly homeless with market-rate residents. As a result more than 650 formerly homeless TIHDI residents are now integrated with open-market renters and currently comprise 23 percent of the residents of Treasure Island.

With a goal of creating an integrated, healthy and desirable community TIHDI also works to develop the "fabric" of community life by providing this new Treasure Island neighborhood with services common to older, more established neighborhoods. To ensure input from residents of diverse socio-economic backgrounds, TIHDI periodically surveys *all* residents, those clients and residents of TIHDI member agencies as well as market-rate renters, and then organizes strategic planning efforts driven by the needs and interests articulated.

For example, in addition to the renovation and occupation of 196 supportive housing units for homeless people, TIHDI has advocated for and secured increased MUNI services; raised funds to

renovate the island's childcare center and recruited an operator that now serves 100 children 0 to 5 years old; secured funds for after school and summer youth programs provided by the Boys and Girls Club; developed a Family Support Service Center for families in supportive housing; advocated for and received recreation funds for island resident recreation activities; advocated for the renovation of the island's gymnasium and subsequent recreational programming; and organized weekly food pantries, support groups, health outreach and clinics, community meetings, movie nights, and community wide events including an annual neighborhood festival. Last year, TIHDI seeded the development of a new neighborhood association: the San Francisco Islands Community Association (SFICA) created by residents to involve whole island community in improving the quality of life for all who live and work on the island.

TIHDI also negotiated the right to place low-income residents in 25% of jobs created on Treasure Island which has resulted in over 100 job placements to date. As the development of Treasure Island unfolds many more jobs will become available for low-income San Francisco residents.

Finally, three years ago TIHDI established the Treasure Island Creative Network (TICN) to develop programs and resources to benefit the community while simultaneously providing opportunities for residents to explore entrepreneurial ideas to supplement and increase their personal incomes. Since program inception, TICN has hosted twelve events showcasing the entrepreneurial interests and talents of island residents. A group of eight TICN leaders now co-lead the program with TIHDI staff. The project for which we are seeking funding from TIDA, **the Economic Self-Sufficiency Program**, is a natural extension of TICN's initial focus on micro-enterprise development.

Statement of Need

Treasure Island is one of San Francisco's newest and most affordable neighborhoods. Poised for significant growth, it is home to approximately 850 households, including 650 formerly homeless individuals and families living in permanent supportive housing and 45 extremely low income families living in Section 8 housing. When people began moving to the island in 1999, whatever infrastructure had been there for the Navy was gone. Retail facilities were non-existent, and the same was true for recreational, health and social services. While there are plans to further develop the island, the current low population density attracts limited public and private resources. For these and other reasons, it has been critical to provide a variety of services to support the people who are making Treasure Island their home.

Housing retention for formerly homeless individuals and families has been particularly successful on Treasure Island and many have lived here for three to five years. Female heads of households comprise a majority of the families, some of who are on government assistance for permanent disabilities and some who are low-income wage earners. The private property management company, the John Stewart Company, has leased 45 units of housing to families with Section 8 certificates who have needs similar to those of the formerly homeless families.

Many of the households described above now have the housing, family and emotional stability to seek new opportunities for increased income and greater economic security and self-reliance, yet they lack the experience, knowledge and access to resources to do so. For some, their relationship to money has historically been based on spending or on making sure they don't earn too much to jeopardize their benefits and/or housing. The ESSP is designed to strengthen the position of this economically vulnerable population. This new program is a natural progression of the evolution of individual, family and community life on Treasure and Yerba Buena Islands.

Project Description: The Economic Self Sufficiency Program

The Economic Self Sufficiency Program's overarching goal is to assist all island residents in building long-term economic security. Towards that end, the program offers financial education, asset-building education and opportunities, and micro-enterprise development. Together, the program's three components embrace the following objectives:

1) Offer education to increase knowledge leading to better financial decisions;
2) Increase access to financial institutions and products;
3) Promote individual savings, asset building and investment;
4) Encourage financial literacy among individuals, youth and families;
5) Encourage mutual support and expand personal networks among residents;
6) Build the capacity of the island community by training community members (staff and other residents) to teach financial literacy; and
7) Assist and empower TICN participants interested in small business development to strengthen their entrepreneurial capacities.

To deliver proven curriculum, resources and services, TIHDI will partner with expert organizations in the fields of financial education, asset building and micro enterprise development. Partners with whom we've built relations to date include, but are not limited to: Renaissance Entrepreneurship Center, Bayview Business Resource Center, Bank On San Francisco, San Francisco Earn, Washington Mutual Bank and Wells Fargo Bank.

In an effort to boost island residents' financial literacy and to increase their practical money management skills, workshops will be offered by these (and other) partner organizations and individuals covering topics such as: money management (earning, spending, saving and investing); consumer credit and credit repair, budgeting, tax assistance; and banking. We will also offer workshops on child support geared towards custodial and non-custodial parents. A youth-focused financial literacy curriculum will be offered to youth and young adults aged between 15-23 years.

Additionally, partnerships will open up access to asset building strategies that provide residents with limited financial resources with information and financial incentives to help them plan and save towards continuing education, skills-training, self-employment and/or housing.

An important component of the program design is that TIHDI member agency staff will be trained in all topic areas prior to residents – both to build their own personal and professional knowledge and skills and to be better positioned to effectively mentor residents as they work to incorporate lessons learned in the trainings into their own lives.

Treasure Island Creative Network (TICN): Micro-Enterprise Development

The third component of the ESSP – micro-enterprise development – will build on the already well-established Treasure Island Creative Network (TICN). TICN is a collaboration of island residents and island based non profit organizations dedicated to creating economic opportunities for residents on Treasure and Yerba Buena Islands. The goals of TICN are to 1) support residents in income generating opportunities, including providing access to business development training and other financial and asset building information; and 2) to host island-wide events that provide an additional community benefit for all residents.

Currently TICN coordinates and hosts a monthly island flea market and craft fair which serves as its primary venue for enterprise development. Current members' businesses featured at the monthly market include jewelry, baked goods, stationary, and collector items.

In 2007, under the auspices of the ESSP, TIHDI will formalize its partnership with Renaissance Entrepreneurship Center's Bayview Business Resource Center to assist and empower TICN participants interested in small business development to strengthen their entrepreneurial capacities. Through workshops and one-on-one consultation, participants will receive assistance in developing realistic plans for pursuing their small businesses including financial planning, implementation strategies and marketing. Active workshop participation will be recognized with small capital investment grants for business needs such as business cards, signage and table awnings. Participants will also be gained access to other asset building resources needed to create and strengthen their micro-enterprises.

Additionally in 2007, we will work to create a TICN business assistance center in the Ship Shape complete with shared office space and meeting rooms, voicemail and fax services, and shared internet access. We will also explore with TICN members the feasibility and benefits of organizing as a co-op or collective.

ESSP Program: 2007 Timeline and Activities

Activities	Timeline
Hire the ESSP Coordinator	January 2007
Conduct Train the Trainer Series for Island Staff - Basic Financial Education (4 part series) - Credit Repair - Child Support for Custodial and non-custodial parents	February – June 2007
Conduct Basic Financial Education, Credit Repair, and Child Support Series for Island Wide Residents	March – December 2007
Conduct TICN Business Development Workshops and 1:1 consultation in partnership with the Bayview Business Resource Center	March – December 2007
Create TICN Business Assistance Center in the Ship Shape	March –December 2007

Program Funding and Sustainability

The Treasure Island Creative Network received seed funding in 2004 and has had ongoing funding from the Walter and Elise Haas Fund to support its development. TIHDI has also used its unrestricted resources to support this program and has leveraged other in kind resources such as volunteers, and meeting and event space. Current funders of the ESSP Program include: the Walter and Elise Haas Fund (including three months of program design and start-up), Washington Mutual Bank and the Wells Fargo Foundation. TIHDI is currently pursuing funding from Kimball Foundation and Citibank to cover program expenses.

AGENDA ITEM 16
Treasure Island Development Authority
City and County of San Francisco
Meeting of March 14, 2007

Subject: Informational Presentation on Proposal from Walden House, Inc. to Treasure Island Development Authority for Reuse of Building 670, the Brig, for the Purpose of Implementing a Female Rehabilitative Community Correction Center. (Discussion Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

Background

Walden House has provided behavioral health services to the San Francisco Bay Area community since 1969. Based on the therapeutic community model of treatment, their programs emphasize self-help and peer support in highly structured, humanistic environments.

The Walden House Female Offender Treatment and Employment Program (FOTEP) opened on Treasure Island in June of 2002. Integrated into the residential community on Treasure Island, FOTEP serves women who are paroling from state prisons, have substance abuse and trauma issues and may be interested in reunifying with their children. The program has the capacity to serve 52 women and 15 children, ages 0-12. FOTEP provides a variety of services to children and families. Women participate in parenting courses and work shifts in the child care center with staff who teach them how to implement the skills they have learned in the classroom. Children with behavioral problems receive individual treatment and family therapy. Job readiness skills, vocational training programs and job placement services are provided. Case management is available to help clients locate both permanent and transitional housing. The goal of this program is to improve individual and family functioning and help women to successfully re-integrate back into their communities.

Building on the success of FOTEP, Walden House proposes to develop a 75 bed Female Rehabilitative Community Correctional Center at the former Navy brig on Treasure Island under the auspices of the California Department of Corrections and Rehabilitation.

In July 2005, the former California Department of Corrections changed its name and mission to address the rehabilitative and re-entry needs of incarcerated women and men. As a part of this re-organization, the new California Department of Corrections and Rehabilitation (CDCR) established the Female Offender Programs and Services (FOPS) unit to implement a nationally recognized program for the management, rehabilitation and community re-integration of the over 11,600 incarcerated women and girls. Approximately 5,900 of the women have been incarcerated for non-serious/non-violent offenses.

The overall mission of FOPS is to increase the opportunity for female offenders to successfully re-integrate into their communities while decreasing the number of women incarcerated in California. In support of its mission, FOPS has created a strategic plan for reducing return to custody rates and repeat offenses by implementing gender responsive health and community placement programs.

The Female Rehabilitative Community Correctional Center (the FRCC Center) is the first in a variety of female offender reforms slated to come out FOPS. The FRCC Centers represent an expansion of community corrections beds for non-serious/nonviolent female offenders. A total of 4,350 beds will be moved from the state prison level to FRCC Centers in various communities throughout California. Research has shown that low level female offenders are less likely to be re-incarcerated and/or re-offend if they are able to maintain connections with children, family and significant others if, while incarcerated, they receive rehabilitative treatment/services and receive job readiness, vocational training and job placement as preparation for community re-entry. All of these interventions are best provided in a secured setting near a woman's home county.

Walden House proposes a 75 bed FRCC Center sited at the former Navy brig on Treasure Island. The FRCC Center on Treasure Island will be designed as an in-custody program. The program will be designed specifically for women to successfully re-integrate into the community.

FRCC Center Contribution to the Treasure Island and San Francisco Communities

The program will encourage volunteerism and community participation as a part of the treatment program. Walden House plans to take FRCC Center work crews five days a week, to pick up trash in one of the five Treasure Island zones (zones will be identified by Walden House with assistance of Treasure Island project staff).

Walden House also plans to run a low cost catering service from the FRCC Center. The Culinary Vocational program will make goods, ordered by community members or groups at a low fee.

Walden House also plans a Facilities Maintenance Vocational Training Program. Participants will learn how to operate, troubleshoot, problem solve and make repairs to heating and cooling systems, plumbing systems and electrical systems and equipment. This training program could be helpful to the Treasure Island community in that the program could assist island residents and programs with building maintenance and repairs.

Community Outreach for Acceptance of the FRCC Center on Treasure Island

Walden House plans to hire a consultant to help develop a strategic plan for the community acceptance process. Walden House staff will develop educational materials. Walden House upper management staff will meet with community leaders to develop buy in and develop strategies for approaching island groups and residents.

Walden House leadership staff will then hold a series of small meetings with Island stakeholders to present the program, develop buy-in, and obtain input and comments.

Walden House will facilitate Island- wide community meetings to present the plans, respond to questions and address community concerns and feedback. Finally, Walden House will summarize issues and concerns from all of the meetings, develop plans to address concerns and submit these to the Authority.

Proposed Lease Fees

Walden House proposes to pay the Authority a fee of $250,000 annually to lease the former Brig if awarded a contract by the CDCR. Walden House is willing to negotiate an acceptable agreement.

Tenant Improvement

The Brig is a 25,110 sq ft building built in 1991 and requires work to make the building not only safe and sanitary but also provide a homier less institutional setting in which women can feel comfortable. Walden House has completed an extensive due diligence process.

The biggest part of the Scope of Work involves the building's lack of use, damage from vandalism and restoration of the security and life safety systems. Walden House also proposes building out 37 cubicles to provide 2 person living areas and more privacy for the women.

Cleaning, prepping and painting:	$ 15,000
Construction of cubicles:	$ 49,000
ADA ramping and signage:	$ 6,000
Life Safety Systems:	
Fire alarm system:	$39,000
Sprinkler system:	$15,000
Security System/Window Replacement:	
Cameras, CCTV, and Electronic Door Hardware:	$50,000
Plumbing, Laundry and HVAC equipment	
To remediate the plumbing issues:	$10,000
To Flush and Test System:	$ 5,000
To Repair HVAC Equipment:	$15,000
Carpet and flooring:	
For 8932 sq ft carpeting:	$28,400
For 1300 sq ft of rubber flooring:	$12,000

Kitchen equipment:

Large equipment:	$16,500
Smaller equipment:	$25,000

This total facility renovation plan is intended as an estimate only. Total Cost Estimate: **$275,900.00 with a 10% contingency of $27,590.00, or $303,490.00.**

Walden House does not seek Tenant Improvement Credit for the above. The Draft Market Rental Appraisal of Various Treasure Island Properties prepared by Carneghi-Blum & Partners, Inc suggests a fair market rental rate of $0.25 per square foot for the Brig. Walden House's proposed rent of $250,000 equates to $0.83 per square foot.

Applicable Leasing Policy

The Treasure Island Development Authority Rules and Procedures for Transfer and Use of Real Property Section 10.Exempt Leases. (a) Types of Exempt Leases. (3) TIHDI Leases authorizes entering into subleases without prior announcement of the availability of the parcel or any prior solicitation.

This is an Informational Presentation only and Project Staff will return to the Authority Board for approval of any sublease with Walden House should Walden House secure funding from the California Department of Corrections and Rehabilitation for the Female Offender Programs and Services.

Prepared by Mirian Saez, Director of Island Operation

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

DRAFT Minutes of Meeting
Treasure Island Development Authority
March 14, 2007

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

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1. **Call to Order**: 1:44 PM

Roll Call Present: Claudine Cheng (Chair)
Jesse Blout
Jared Blumenfeld
Marcia Rosen
Owen Stephens

Excused: John Elberling
Matthew Franklin
Supervisor Chris Daly

2. Report by Director of Island Operations
Ms. Mirian Saez, Director of Island Operations, presented the Director's Report. Discussed work to date by staff on emergency preparedness, negotiations with the PUC over the MOU for outstanding obligations, the FY2007-2008 budget, and work with the City Administrator over the Treasure Island refuse contract, the removal of two sunken vessels from Clipper Cove. Stated she has met with TICD about potential uses and tenants for Building 3. Met with the CalTrans maintenance team about maintenance of the on and off ramps. Toured the Island with a resident, concentrating on the housing area. Discussed upcoming Board items including amendments to the Navy lease to add the 240 Buildings, approval of the community fund expenditures and approval to extend the refuse contract with Golden Gate Disposal. Independent appraisers have conducted a market study of Island properties which will be presented in April.

3. Report by the Mayor's Office of Base Reuse and Development
Mr. Michael Cohen, Office of Base Reuse and Development, discussed work with the developer on the transition plan, issues pertaining to long term on and off ramps issues, recent meeting with the CalTrans Director over long term on and off ramps issues. Discussed a sustainable cities

event held in San Francisco which focused on Treasure Island as a model of sustainable development which was attended by Director Blumenfeld.

Director Cheng requested an update on the status of the Environmental Impact Review and the grant funding available for ferry terminal planning.

4. Communications
There was no discussion of communications.

5. Report by the Treasure Island/Yerba Buena Island Citizen Advisory Board
There was no CAB report given at this meeting.

6. Ongoing Business by Directors
Director Blumenfeld requested an update on budget planning for FY2007-2008.

7. General Public Comment
Mr. Marc Conners, Treasure Island resident, spoke in support of the Island-based Good Neighbors community group.

8. Consent Agenda
Director Blumenfeld requested item 8b pulled for discussion.

There was no public comment on the remaining items.

Director Rosen motioned for approval of Consent Agenda items 8c through 8f.
Director Blumenfeld seconded the motion for approval.
The Consent Agenda items 8c through 8f were approved unanimously.

8b. Amendment to South Waterfront Master Lease to Delete Building 96
Director Blumenfeld asked for further information about Building 96 being determined to be a remediation site.
Mr. Marc McDonald, TIDA Facilities Director, stated that the Navy found that Building 96 contained a plume of known material from the former dry cleaning facility, Building 99, which was already known to be there. The discovery in Building 96 occurred about a year ago. Stated that a majority of the necessary remediation has already been well characterized by the U.S. Navy.

Director Blumenfeld motioned for approval of Consent Agenda item 8b.
Director Rosen seconded the motion for approval.
The Consent Agenda item 8b was approved unanimously

9. Informational Presentation on Bay Bridge Safety
Mr. Raoul Maltez, California Department of Transportation, provided a report on the current on and off ramps from the Bay Bridge to Yerba Buena Island. Discussed what CalTrans is doing in the short term to address safety concerns for motorists exiting and entering the Island via these

ramps. Discussed the long term solutions for the ramps, including rearrangement of the configuration of the ramps, which CalTrans is exploring for the redevelopment of the Islands.

Director Stephens stated his concern is for motorists leaving the Island to get onto the Bay Bridge. Encouraged CalTrans to add reflectors or signage inside the tunnel to allow for motorists on the Bay Bridge to be aware of the vehicles merging onto the Bridge from the Islands.

There was no Public Comment on this item.

10. Amendment to Agreement with the San Francisco County Transportation Authority

Mr. Michael Cohen, Director of Base Reuse and Development, presented an amendment to the agreement with the SFCTA for the preparation of a Project Study Report (PSR) requested by CalTrans for the eventual reconfiguration of the Yerba Buena Islands on and off ramps. This amendment allows for the creation of additional studies requested by CalTrans as part of the scope of this PSR.

Director Blumenfeld requested further information on the planning process for pedestrian and bicycle walkways on the Bay Bridge and their connection with Yerba Buena Island.

There was no Public Comment on this item.

Director Blumenfeld motioned for approval of the item.
Director Rosen seconded the motion.
The item was approved unanimously.

11. Supporting AB 1543 (Leno)

Mr. Michael Cohen, Director of Base Reuse and Development, presented an item requesting support for Assembly Bill 1543 which enables the creation of a Treasure Island transportation district. This item was initially heard at the February TIDA Board meeting and is now back before the Board for approval with legislative language attached, based on a Board request and public comment made at the February meeting.

Director Rosen requested clarification on the responsibility of the TIDA Board within the overall process for establishment of the proposed transportation district. Stated there is nothing in the state legislation which allows for greater specific definition of the program and the proposed district. Stated she is supportive of the item, but suggested adding language to the State legislation adding more TIDA Board influence or discretion to the Transportation District process.

Director Blumenfeld requested more information on the definitions of what is being enabled for creation by this legislation.

Public Comment:

Ms. Eve Bach, ARC Ecology, spoke in support of more substantive review of the proposed legislation and surrounding issues.

Director Rosen motioned for approval of the amended item.
Director Blumenfeld seconded the motion.
The amended item was approved unanimously.

12. Sublease of a Portion of Building 201 to SF Vendings
Mr. Marc McDonald, TIDA Facilities Director, presented a sublease with SF Vendings for a portion of Building 201. SF Vendings uses the building as their base of operations for vending machine distribution throughout the Bay Area. The tenant has brought his rent payments up to date.

Director Rosen motioned to amend the resolution to add a "Further Resolved" clause stating that this and all proposed subleases were subject to fulfillment of insurance requirements prior to execution.

Director Rosen motioned for approval of the item as amended.
Director Blumenfeld seconded the motion.
The item was approved unanimously.

13. Establishing a Yerba Buena Island Tunnel Banner Policy
Ms. Frishta Afifi, Project Manager, presented a banner policy for the rental of the fenced area above the Yerba Buena Island tunnel. This information was provided in an informational item to the Board at the February TIDA Board meeting. This policy will provide for a transparent tool to manage the banner space and to provide a comprehensive structure for executing permits. Discussed the various elements of the policy, policy for request of waiver or reduction of rates, and location-specific issues surrounding the banner space above the Yerba Buena Island tunnel. Any changes to this policy and rental rates will require TIDA Board approval.

Director Blumenfeld requested an update at future meetings on the status of the policy and further discussion on enlarging the size of the banner space.

There was no Public Comment on this item.

Director Blumenfeld motioned for approval of the item
Director Stephens seconded the motion
The item was approved unanimously

14. Presentation on Expenditure of the Community Fund
Ms. Marianne Thompson, TIDA Community Liaison, presented the process and recommendations undertaken to identify needs and wants of the Island community and the recommended expenditures from this fund to address these identified needs. This process was initiated at the request of the TIDA Board in 2005. The Mayor's Office of Base Reuse has invoiced Treasure Island Community Development for the development funds eligible for reimbursement to TIDA, and TIDA is in receipt of these funds which have been earmarked for

expenditure for identified community needs. Discussed the on-Island stakeholder's involvement and community meetings and workshops held throughout the process. Several of the initial needs identified were remedied by various City departments, on-Island agencies and TIDA staff and thus are no longer up for consideration. The list currently before the Board makes up the initial identified needs which can be met via expenditure of a portion of this fund. This list has been reviewed and discussed with the Treasure Island Homeless Development Initiative prior to submittal to the Board. The total initial expenditure addresses the identified needs of the community, apart from a general store, fulfilling the TIDA Board's intent when it initiated this process.

Director Blumenfeld asked if any of the prioritization discussion mentioned the Treasure Island gymnasium.
Ms. Thompson stated that the YMCA has done a good job operating the gymnasium and there has been no needs currently identified as related to the gymnasium.

Director Blout requested further information about the proposed skateboard park and budgeted amount proposed for such a park.

Director Rosen stated that discussion should reflect that this is money that TIDA is allowed to invoice the developer for reimbursement. These are net revenues programmed for this community benefit usage and the fund name should reflect that it is a community benefit fund.

Public Comment
Ms. Sherry Williams, TIHDI Executive Director, spoke in support of the expenditure of community benefit funds for the proposed uses. Spoke in support of an April 28th event providing a makeover to the ShipShape Building.

Ms. Lavina DeSilva, Boys and Girls Club Treasure Island Unit, spoke in support of the community benefit funds expenditure. Discussed ongoing activities at the Treasure Island Boys and Girls Club.

Mr. Mark Baker, Kidango Child Development Center, spoke in support of the community benefits fund expenditure.

15. Informational Presentation on 311 Customer Service Center
Ms. Heidi Sieck, 311 Project Director, presented information on the City's new 311 Center. 311 is a phone number established by the Federal Communications Commission to alleviate call volume to 911 for non-emergency situations. 311 is geared towards customer service, and San Francisco is one of the last major cities in the nation to implement a 311 center. Discussed process by which the City calls 311 and the 311 Center assist them with their problem or request. 311 strives to provide one toll-free phone number as an access point to all City phone numbers, departments and resources. It has disability access and operators in several languages. The 311 Center is located at 1 South Van Ness and can function as a backup 911 facility. 311 will be launched City wide on March 29, 2007.

Director Blumenfeld requested TIDA staff assist in ground testing to assure that 311 is operable on Treasure and Yerba Buena Island. Requested that 311 work to alert Treasure Island residents to future job opportunities with 311.

There was no Public Comment on this item.

16. Informational presentation on Walden House Inc. Proposal for Reuse of Building 670 – Treasure Island Brig

Mr. Marc McDonald, TIDA Facilities Director, presented information on Walden House's proposed use of the Treasure Island Brig – Building 670. Walden House is proposing use of the Brig for an in-custody rehabilitation program focused on skills development, vocational training and community participation development through volunteerism. Walden House proposes to pay the Authority $250,000 per year for use of the Brig. Walden House proposes to make repairs and improvements to the Brig for the purposes of their program. This proposal is based on a grant application Walden House has submitted to the California Department of Corrections which is currently pending.

Public Comment:
Ms. Renee Smith, Walden House, spoke in support of Walden House's use of the Brig. Discussed the pending grant application process.

Ms. Wanda Barnes, Walden House, spoke in support of Walden House's proposed use of the Brig.

17. Discussion of Future Agenda Items by Directors

There was no discussion at this time.

There was no public comment on this item.

18. The meeting adjourned at 3:30 PM.

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG ONE 2ND FLOOR TREASURE ISLAND
SAN FRANCISCO CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

April 11, 2007 - 1:30 P.M.

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

8:15 a.m. MST
DOCUMENTS DEPT.
APR - 9 2007
SAN FRANCISCO
PUBLIC LIBRARY

Gavin Newsom, Mayor

SF
T22
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DIRECTORS

Claudine Cheng, *President*
Jesse Blout
Jared Blumenfeld
John Elberling, *C.F.O./Secretary*
Matthew Franklin
Marcia Rosen
Owen Stephens
Supervisor Chris Daly (*Ex-Officio*)

Mirian Saez, Director of Island Operations
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call

2. Report by Director of Island Operations (*Discussion Item*)
   Length of Item: 10 minutes

3. Report by Mayor's Office of Base Reuse and Development (*Discussion Item*)
   Length of Item: 10 minutes

4. Communications (*Discussion Item*)
   Length of Item: 5 minutes

5. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*)
   Length of Item: 5 minutes

6. Ongoing Business by Directors (*Discussion Item*)
Length of Item: 5 minutes

7. General Public Comment (*Discussion Item*) ******In addition to General Public Comment (Item #7), Public Comment will be held during each item on the agenda.******
Length of Item: 10 minutes

8. **CONSENT AGENDA**
Length of Item: 5 minutes

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a.) Approving the Minutes of the March 14, 2007 Regular Meeting (*Action Item*)

b.) Authorizing the First Amendment to the Sublease between the Treasure Island Development Authority and Rubicon Programs to Increase Utility Rates from $236.87 to $255.00 per unit per month. (*Action Item*)

c.) Authorizing the First Amendment to the Sublease between the Treasure Island Development Authority and Swords to Plowshares to Increase Utility Rates from $236.87 to $255.00 per unit per month. (*Action Item*)

d.) Authorizing the Second Amendment to the Sublease between the Treasure Island Development Authority and Catholic Charities to Increase Utility Rates from $236.87 to $255.00 per unit per month. (*Action Item*)

e.) Authorizing the First Amendment to the Sublease between the Treasure Island Development Authority and Haight Ashbury Free Clinics to Increase Utility Rates from $236.87 to $255.00 per unit per month. (*Action Item*)

f.) Authorizing the Second Amendment to the Sublease between the Treasure Island Development Authority and Walden House for the Use of an Additional 12 units of Housing on Treasure Island, to increase Common Area Maintenance Charges, and to Increase Utility Rates from $236.87 to $255.00 per unit per month. (*Action Item*)

g.) Authorizing the Second Amendment to the Sublease between the Treasure Island Development Authority and Community Housing Partnership for the Use of an Additional 42 units of Housing on Treasure Island, to increase Common Area Maintenance Charges and to Increase Utility Rates from $236.87 to $255.00 per unit per month. (*Action Item*)

h.) Resolution Authorizing the Twenty Second Amendment to the Land and Structures Master Lease between the Authority and the Navy to Add Quarters 240 to the Lease Premises (*Action Item*)

9. Informational Presentation on TIDA FY 2007-2008 Budget (Discussion Item)
Presenter: Mirian Saez, Director of Island Operations
Length of Item: 10 minutes

10. Resolution Approving an Amendment to the Refuse Collection Agreement between Golden Gate Disposal & Recycling Company and the Treasure Island Development Authority to Extend the Agreement Until the Earlier of the Navy's Transfer of Treasure Island to the Authority or May 31, 2009 *(Action Item)*
Presenter: Marc McDonald, TIDA Facilities Director
Length of Item: 5 minutes

11. Resolution Authorizing the Director of Island Operations to Expend $620,000 from the Community Benefits Fund (*Action Item*)
Presenter: Marianne Thompson, TIDA Community Liaison
Length of Item: 10 minutes

12. Informational Presentation on Commercial Property Appraisal Report Provided by Carneghi – Blum and Partners (*Discussion Item*)
Presenter: Marc McDonald, TIDA Facilities Director
Length of Item: 10 minutes

13. Informational Presentation on Navy Remediation Activity in the Treasure Island Housing Area (*Discussion Item*)
Presenter: James Sullivan, United States Navy
Length of Item: 10 minutes

14. Discussion of Future Agenda Items by Directors (*Discussion Item*)
Length of Item: 5 minutes

15. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, 410 Avenue of the Palms, Building 1, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

Disability Access

The Treasure Island Development Authority holds its regular meetings at San Francisco City Hall. City Hall is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon request. Please make your request for alternative format or other accommodations to the Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) **at least 72 hours** prior to the meeting to help ensure availability.

The nearest accessible BART station is Civic Center Plaza at the intersection of Market, Grove, and Hyde Streets. The accessible MUNI Metro lines are the J, K, L, M, and N (Civic Center Station or Van Ness Avenue Station). MUNI bus lines serving the area are the 47 Van Ness, 9 San Bruno, and the 6, 7, 71 Haight/ Noriega. Accessible curbside parking is available on 1 Dr. Carlton B. Goodlett Place and Grove Street. For more information about MUNI accessible services, call 923-6142.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based scented products. Please help the City to accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

KNOW YOUR RIGHTS UNDER THE SUNSHINE ORDINANCE
(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact: Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at sotf@sfgov.org.

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from the SOTF or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, http://www.sfgov.org/sunshine/

MEMORANDUM

TO: Mirian Saez
Director of Island Operations

FROM: Lori Mazzola
Event Coordinator

DATE: April 5, 2007

RE: **SPECIAL EVENTS / PUBLIC ACCESS**

In preparation for the Director's Report for the upcoming TIDA meeting, please find a briefing of recent and upcoming events on Treasure Island.

- The San Francisco Architectural Heritage Foundation will host a fundraising event in the main Administration Building on Saturday, April 14th, with 600 guests attending.
- TIDHI will host its Annual fundraiser event in the main Administration Building on April 19, 2007. The event, which includes a silent, will honor Michael Cohen, Director of Mayor's Office of Base Reuse and Development.
- Lincoln High School and Hillsdale High School will hold proms in the main Administration Building in April.
- "Chicken Hooray, LLC" continues to bring a chicken rotisserie business to Treasure Island to provide gourmet chicken meals to residents on Treasure Island on a weekly basis.

DATE	TYPE	LOCATION	EVENT	START	END	GUESTS
05 Apr 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
07 Apr 07	Wedding	Chapel/Casa	Donna Eng/Tom Schmidt	3:00PM	11:00PM	150
12 Apr 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
14 Apr 07	Wedding	Casa de la Vista	Gabby Borlongan/Michael Elma	3PM	11PM	110
14 Apr 07	Fundraiser	Bldg 1 Parking Lot	San Francisco Architectural Heritage	6PM	12AM	600
19 Apr 07	Fundraiser	Building 1	TIHDI	9AM	9PM	300
19 Apr 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
21 Apr 07	Prom	Building 1	The Event Group-Lincoln	12PM	2AM	700
21 Apr 07	Wedding	Chapel/Casa	Joan Lindenstruth/Isao Yagi	4.30PM	12.30AM	100
22 Apr 07	Wedding	Casa de la Vista	Chris Potter/Micol Cavallacci	4PM	12AM	150
26 Apr 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
27 Apr 07	Memorial Service	Casa de la Vista	Juli Betwee	12PM	8PM	150
28 Apr 07	Prom	Building 1	Hillsdale High School	4PM	1AM	500
28 Apr 07	Wedding	Chapel/Casa	Ashley Agustin/Joeseph Scripilliti	3.30PM	12AM	180
29 Apr 07	Wedding	Chapel/Casa	Carol Underwood	11AM	9PM	180
03 May 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
05 May 07	Wedding	Chapel/Casa	Molly Phelps/Kevin Dame	4PM	12AM	140
05 May 07	Prom	Building 1	Cassandra Grill Consulting/Pittsburg High	4PM	1AM	400
10 May 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
12 May 07	Prom	Building 1	Ygnacio Valley High School	12PM	2AM	400
12 May 07	Wedding	Casa de la Vista	Corey Nordstrom/Chris Leaverton	12PM	12AM	170
13 May 07	Wedding	Casa de la Vista	Hugh Groman/Noah Guyn	10AM	6PM	225
17 May 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
18 May 07	Wedding	Casa de la Vista	Noel Eckert/Jonathon Owens	5PM	1AM	130
19 May 07	Wedding	Casa de la Vista	David Martin/Susana L'Riccie	12PM	11PM	120
19 May 07	Party	Building 1/Chapel	Jody LeWitter	2PM	12AM	300
20 May 07	Memorial Service	Casa de la Vista	Sarah Wenstrand Moore	1PM	9PM	300
24 May 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
25 May 07	Wedding	Casa de la Vista	Debbie Grewal	4PM	12AM	[illegible]0

TRE[illegible]RE ISLAND EVENT CALENDAR 4[illegible]007

DATE	TYPE	LOCATION	EVENT	START	END	GUESTS
26 May 07	Wedding	Casa de la Vista	Lisa Ramlochan/Victor Forero	3PM	11PM	80
27 May 07	Wedding	Casa de la Vista	Jennifer Semien/Craig Copeland	5PM	2AM	125
31 May 07		Chapel Lot	Chicken Hooray	3PM	7.30PM	
01 Jun 07	Party	Casa de la Vista	S. Tenaya Martinez-Smith	12PM	12AM	100
02 Jun 07	Wedding	Chapel/Casa	Nicole McCoy/Stephen Williams	12PM	9PM	150
03 Jun 07	Wedding	Chapel/Casa	Spencer Knight/Joyce Luh	9.00AM	6PM	160
09 Jun 07	Wedding	Chapel	Denise Yee/Philip Tacata	12PM	4PM	225
09 Jun 07	Wedding	Casa de la Vista	Johanna Burgess/Joseph Hart	4.30PM	12.30AM	150
13 Jun 07	Dinner	Building 1 Lobby	Benchmark Destinations	6PM	10PM	500
15 Jun 07	Wedding	Casa de la Vista	Cynthia Gonzales/Benjamin Kordich	5PM	1AM	150
16 Jun 07	Wedding	Casa de la Vista	Margaret Ziemianek/Michael Zimmer	4PM	12AM	150
17 Jun 07	Wedding	Chapel/Casa	Gerlyn Neau	2PM	10PM	150
22 Jun 07	Wedding	Casa de la Vista	Danelle delos Santos/David Curtner	1PM	10PM	160
22 Jun 07	Sport/Fundraiser	Great Lawn	Sports 4 Kids	8AM	8PM	300
23 Jun 07	Sport/Picnic	H Ave & 6th St Picnic	SF Fog Rugby Football Club	9AM	5PM	250
23 Jun 07	Wedding	Chapel/Casa	Sandra Renee Curtain/Joe Vivas	3PM	11PM	150
24 Jun 07	Wedding	Casa de la Vista	Taste Catering			100
30 Jun 07	Wedding	Chapel/Casa	Martha Mueller/George Cook	2PM	1AM	100
01 Jul 07	Wedding	Chapel/Casa	Jason Silvey/Paula Simac	1PM	2AM	125
04 Jul 07	Party	Casa de la Vista	Everything Audio Visual	2PM	12AM	150
06 Jul 07	Party	Casa de la Vista	Dede Yekrangi	6PM	2AM	120
07 Jul 07	Wedding	Chapel/Casa	Amy Beshears/Sumit Yadav	2PM	1AM	100
07 Jul 07	Wedding	Building 1	Lemma Gailani	3PM	2AM	250
08 Jul 07	Wedding	Chapel/Casa	Denise Chow/Samuel Kim	3PM	12AM	200
14 Jul 07	Wedding	Chapel/Casa	Becky Offutt/Justin Murray	11AM	8PM	180
15 Jul 07	Wedding	Casa de la Vista	Judith Collins	3.30PM	11.30PM	75
21 Jul 07	Wedding	Chapel	Jenine Quan/Eric Yadao	12PM	3PM	75
21 Jul 07	Wedding	Casa de la Vista	Ruth Wood/Adam Yagiz	2PM	12AM	150
28 Jul 07	Wedding	Chapel/Casa	Veronica Della-Santina/Andrew Ramezzanc	11:00PM	7:00PM	150

Nature in the City

121 Parnassus Avenue
San Francisco CA 94117
www.natureinthecity.org
415.564.4107

April 5, 2007

Ms. Claudine Cheng, President
and Members of the Board of Directors
Treasure Island Development Authority
410 Palm Avenue, Building One
Treasure Island
San Francisco, CA 94130

Re: Stewardship Opportunity for Yerba Buena Island

Dear President Cheng and Board Members:

I am writing to alert you to an exciting opportunity to enhance the natural resource values of Yerba Buena Island and raise awareness in the corporate and funding communities of the island's outstanding attributes and pressing needs.

PricewaterhouseCoopers has contacted Nature in the City to offer the volunteer services of its San Francisco employees to spend May 31st engaged in the ecological restoration of one of the City's habitat areas. Their first choice is Yerba Buena Island.

The PWC offer of more than 150 person-hours of labor presents a wonderful chance to make a significant improvement in the island's habitat value, to initiate momentum toward future corporate partnerships and to leverage financial contributions toward YBI's restoration and management.

Both the San Francisco Recreation and Park Department and the Golden Gate National Recreation Area have enthusiastically taken advantage of many such corporate work days to significantly augment their environmental stewardship volunteer programs.

Contingent upon the granting of the necessary approvals and arrangement of logistics, we invite the Treasure Island Development Authority's sponsorship of a May 31st Stewardship Work Day on Yerba Buena Island.

We envision that the other co-sponsors, in addition to Nature in the City and PricewaterhouseCoopers, would include the SF Recreation and Park Department, SF Department of the Environment, the California Native Plant Society, Golden Gate Audubon Society, and NORCAL. We would also ask the Mayor's Office of Base Reuse and Real Estate Development to participate.

Please let us know soon whether TIDA is interested in pursuing sponsorship, so that we may begin the planning and coordination necessary to guarantee a successful Work Day on YBI. We would be seeking the pro bono services of a number of entities with whom we have worked in the past, including: NORCAL to haul away green waste, recyclables and trash; SF Recreation and Park Department to loan tools, tarps and gloves; and professional restoration ecologists to develop the strategic plan for the day and to supervise the work crews. NTC would provide overall coordination and follow-up.

Nature in the City is very excited about the prospect of partnering with the Treasure Island Development Authority. Please feel free to contact me if you have any questions.

Sincerely,

Peter Brastow

Peter Brastow,
Founding Director, Nature in the City

cc:
Mirian Saez
Peter Summerville
Marc McDonald
Marianne Thompson
Michael Cohen
Lisa Wayne
Jake Sigg
Noreen Weeden
Bob Besso
Jennifer Kass

POLICE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO
THOMAS J. CAHILL HALL OF JUSTICE
850 BRYANT STREET
SAN FRANCISCO, CALIFORNIA 94103-4603

HEATHER J. FONG
CHIEF OF POLICE

ENTERED
APR 2007

April 3, 2007

Ms. Mirian Saez
Executive Director
Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
SF., CA 94130

SENT VIA FACSIMILE TO (415) 274-0299

Reference: Treasure Island Crime Statistics – March 2007

Dear Ms. Saez:

There were twenty-three incident reports filed with the San Francisco Police Department about occurrences on Treasure Island and Yerba Buena Island during the month of March 2007. Please see Attachment A for specific information.

Please Contact me at (415) 553-9154 or at Denis.O'Leary@sfgov.org if you have any questions.

Sincerely,

Denis F. O'Leary
Captain – Southern Station

By: _____
Officer Louis Glaser
Southern Station
(415) 553-7959

ATTACHMENT A

OCC. DATE	REP. DATE	LOCATION	TYPE	COMMENTS	CASE NUMBER
3/1/2007	3/2/2007	600 blk Av. H	Theft, From Building	Suspect unk.	070219918
03/02-03/05	3/5/2007	4th St. @ Av. M	Malicious Mischief/Vandalism		070231144
3/6/2007	3/6/2007	TI Station	Warrant Arrest	1 booked	070236984
3/13/2007	3/14/2007	9th St. @ Av. D	Assault, Aggravated	Suspect unk.	070265303
3/14/2007	3/14/2007	1100 blk Reeves Ct.	Battery	Suspect Known	070267729
3/14/2007	3/14/2007	1300 blk Gateview	Miscellaneous Investigation	1 Detained	070265494
3/17/2007	3/17/2007	1200 blk Bayside Dr.	Burglary, Apartment	Suspect unk.	070279724
3/19/2007	3/19/2007	1200 blk Mariner Dr.	Malicious Mischief/Vandalism	Suspect Known	070284187
3/22/2007	3/22/2007	1200 blk Mariner Dr.	Burglary, Residence	Suspect unk.	070298467
3/22/2007	3/22/2007	Address withheld	Missing Juvenile		070296659
3/22/2007	3/22/2007	1100 blk Mason Ct.	Burglary, Hot Prowl	Suspect unk.	070297958
3/24/2007	3/24/2007	400 blk 13th Av.	Burglary, Non-residence	Suspect unk.	070305993
3/22/2007	3/23/2007	600 blk 8th St.	Terrorist Threats	Suspect Known	070300200
3/26/2007	3/26/2007	Bldg. 140 TI	Malicious Mischief/Vandalism		070310704
3/26/2007	3/26/2007	11th St. @ Ave E	recovered Vehicle	Unfounded	070294976
3/20/2007	3/20/2007	Av. B	Battery	Suspect Known	070288139
3/21/2007	3/21/2007	1200 blk Gateview Ct.	Theft, Other Property	Suspect Known	070294330
3/21/2007	3/22/2007	Bldg. 140 TI	Malicious Mischief/Vandalism		070296637
3/27/2007	3/27/2007	1200 blk Mariner Dr.	Burglary, Residence	Suspect unk.	070311661
3/28/2007	3/29/2007	600 blk 8th St.	Theft, From Building	Suspect unk.	070322464
03/27-03/28	3/28/2007	1200 blk Northpoint Dr.	Burglary, Apartment	Suspect unk.	070321319
3/28/2007	3/28/2007	1200 blk Exposition Dr.	Terrorist Threats	Suspect Known	070319461
3/30/2007	3/30/2007	1100 blk Keppler Dr.	Burglary, Apartment	1 booked	070327492

Part 1 Crimes March, 2007

Assult 3	Robbery	Homicide	Arson	
Burglary 7	Sex Offenses	Vehicle Theft	Larceny 3	Total 13

T I H D I

Treasure Island Homeless Development Initiative

ENTERED
MS, PS, FILE
MAR 2007

March 13, 2007

Mirian Saez, Director of Operations
TI Development Authority
410 Palm Ave., Bldg. 1, 2nd Floor
San Francisco, CA 94130

Dear Mirian:

On behalf of all of us at TIHDI we would like to acknowledge and thank you and your staff for the support we received for Treasure Island's first Black History month celebration. Whether it was helping with the first African American art and cultural exhibit or supporting the children & youth read-a-thon, you and your staff really helped make this a successful event.

This support shows the best practice in how public entities can join community based organizations to build community and develop support for the common good. Please extend our sincere thanks to your staff for their efforts in making this celebration a success.

We look forward to building on this success for future events that benefit the residents of Treasure Island.

Sincerely,

Sherry Williams
Executive Director

Yvette Phillips Aldama
Community Health & Education Coordinator

410 Palm Ave., Bldg. 1
San Francisco, CA 94130
415-274-0311
www.tihdi.org

Volume I, Issue 1
March—May 2007

ISLANDS UNITED

INSIDE THIS ISSUE:

Save the Date!

- **March 11—Daylight Savings Time Begins**
- **March 17—St. Patrick's Day**
- **March 21—Spring Begins**
- **April 8—Easter Sunday**
- **May 13—Mother's Day**
- **May 19—Armed Forces Day**
- **May 28—Memorial Day**

Do you have an article or a message that you want to share with the community? Are you moving and would like to sell some of your items? Do you have an idea on what you would like to see on the next news letter? Whatever it is, e-mail it to YLEE@Jsco.net in an attachment as a Word document before May 15, 2007.

TRAFFIC CONGESTION WITHIN THE ISLAND

As spring rolls around, the Navy has been gearing up to start the Soil Remediation Project. It was scheduled to start in February 2007, but has been moved to March 2007. As you go around the island, you may notice many trucks coming in and out of the island, streets closed off, and the Perimeter Path closed off. Here are the areas that you should be aware of:

- Bayside Drive: Parking will be restricted. The middle portion of Bayside will be completely closed off and street parking will not be allowed. If you need additional parking spaces, you are welcome to use the overflow parking lot near the elementary school.
- Northpoint Drive: Certain portions of Northpoint Drive will be closed off, however parking and access to the streets will not be restricted. Same as Bayside Drive, however, if additional parking is needed, please use the overflow parking lot.

Construction near these and other areas will begin at approximately 7:30 A.M. and last until 5:30 P.M Monday through Thursday.

To read more about the Soil Remediation project, you can check it out at:
http://www.bracpmo.navy.mil/bracbases/california/treasure_island

TRASH AND RECYCLING RECEPTICALES

Just a reminder to everyone, effective February 1, 2007, relevant changes to the San Francisco Municipal Code.

- Residents may not place their trash receptacle(s) on the sidewalk, street or public right of way until after 6:00 P.M day immediately prior to trash collection

- Within 24 hours of placing the trash receptacle for collection and after the contents have been collected, Residents shall remove the trash receptacle from the sidewalk, street or other public right-of-way and return the trash receptacle to the designated enclosure area for that Resident's trash receptacle(s)

- In the event that there is a violation of this regarding the trash receptacles, the City of San Francisco may demand monetary penalties.

GOOD NEIGHBORS
RESIDENTS IN ACTION

By: Mark Connors

Whether you are a short term renter, a program member, an agency, company providing services, or someone who wants to stay a part of TI/YBI after the redevelopment we all have a stake in making the islands a better place to live now.

If you live on Treasure Island/YBI you are keenly aware that the island is more like a bedroom community than a fully integrated part of the city. The population has a high turnover rate and there are limited opportunities to develop a sense of community. Against the backdrop of inevitable redevelopment we find ourselves in a sort of limbo.

Recently a small group of friends in my neighborhood got together to discuss how we could improve our lives on the Island. Most of us are busy with jobs and relationships, some of us are looking for ways to use our free time, but all of us had the idea that the key to improving our communal lives is by personal action.

We started a group call "Good Neighbors" – an informal group of friends who want to work on "micro-projects" (like the monthly calendar produced by TIDA) and other projects (namely getting Neighborhood Watch established) in our neighborhood. We have now expanded into a membership based community organization open to all residents on the islands.

You don't have to start your own group to help improve the island. There are lots of ways of becoming involved. You can attend the monthly community meeting hosted by TIDA, TIHDI and SFICA held the third Wednesday of each month. You and a friend could help clean up one of the bus stops. You could become involved with SFICA, an organization of Island residents working to create a community association. You can join with others who are interested in reclaiming Yerba Buena Island from invasive plant species so local plant species have a better chance to flourish. You can join or start a local neighborhood watch or attend a support group. Or you could do something as simple as keeping up with TI/YBI news by visiting the various websites related to the Island (www.treasureislandonline.net, www.94130.com, www.94130.org)

Life is what you make of it. TI/YBI is a beautiful place and we have a wonderful opportunity to make it better than it already is.

Good Neighbors
P.O. Box 420602
San Francisco, CA 94142
good_neighbors@comcast.net
415-520-6653

311 Customer Service Center
City and County of San Francisco

What is 311?

3-1-1 will be a toll free, non-emergency number that the public can call to access information about San Francisco government services ***beginning March 29, 2007***. Citizens, tourists and businesses can reach a live customer service representative 24 hours a day, seven days a week, 365 days a year. The 311 Customer Service Center will be available through wired and wireless phones with a San Francisco 415 area code. *Callers from outside the San Francisco 415 area code will be able to reach the San Francisco 311 Customer Service Center by calling 415-701-2311.* Additionally, 311 will be able to provide translation services in more than 145 languages and will employ a diverse staff of customer service representatives.

History

The 311 Customer Service Center was initiated by then-Supervisor Gavin Newsom while visiting Chicago in 1999. Mayor Newsom firmly believes all San Francisco citizens, businesses and visitors who pay taxes have the right to excellent customer service from local government, especially the city's most vulnerable citizens,

> *"Those most in need of city services, such as the elderly, those living at or below the poverty line, and new arrivals to San Francisco, are least likely to find their way through this confusing bureaucratic maze."*

Upon his return from Chicago, Gavin Newsom commissioned the Emergency Communications Department (ECD) and the Department of Telecommunication and Information Services (DTIS) to initiate a study to determine the feasibility of implementing a 311 call center in San Francisco. The study was completed in March 2002 followed by public hearings in February 2003 and unanimous approval by the Board of Supervisors in October 2003. Start up funding of $4.2 million was appropriated by the Board of Supervisors in June 2005 with construction of the call center finally completed in September of 2006.

Mayor Newsom's Vision: Two Numbers to Reach the City

City Hall currently provides over 2,300 telephone numbers to the public to access local government services. 3-1-1 will be able to significantly streamline access to city services and reduce duplicate and non-functional telephone numbers. The Mayor's goal is to have only two main numbers for the public to access city government services: 911 for emergencies and 311 for non-emergencies. Under the leadership of Acting Director Heidi Sieck, the city will provide highest standard of customer service that is culturally competent and in multiple languages.

Why Does San Francisco Need 311?

- **Improved Customer Experience:** City government agencies annually receive over seven million phone calls, one million emails, 100 million web hits, four million in-person visits, 300,000 letters and 100,000 faxes. Two out of five or 40% of those service requests are never fully addressed.
- **Enhances Accountability For Citizens**: Every service request to 311 will be assigned a request number which citizens can use to track the status of their service request on-line or via telephone.
- **Public Safety Partner**: Over 50% of phone calls to 911 are non-emergency calls. 311 can significantly relieve 911 operators of non-emergency calls.
- **Post Disaster Recovery**: After a catastrophic emergency, such as an earthquake, 311 can provide critical information to assist the public with disaster recovery. The ability to access appropriate and accurate information greatly improves the ability of survivors to cope and stabilize.
- **911 Backup**: Should the 911 call center facility ever be physically compromised, the 311 facility can function as a back-up 911 call center.

Common Reasons to Call 3-1-1

- General Information about City Government and City Services
- City Agency Hours and Locations
- MUNI Bus Routes and Schedule
- Request Graffiti Removal
- Pothole Repair
- Street Cleaning Schedules
- Report Abandoned Automobile
- Report Illegal dumping
- Removal of Old Refrigerators and Furniture
- Information about Recycling & Hazardous Waste Disposal
- Information about General Hospital, Laguna Honda and Health Clinics
- Marriage License Information
- Domestic Partner Registration
- Recreation and Parks Schedules
- Museums and Performing Arts Events
- Tax and Fee Payment Information
- Commission Meeting Schedules
- City Hall Events
- Animal License Information
- Suggestions and Comments

For more information, please contact Tomás Lee at 415-701-3132 or tomas.lee@sfgov.org. Please go to our website for more information www.sfgov.org/sf311.

EVENTS

Adult Sailing Orientations

Spend the day on the Bay for only $25!

A great way to spend your Saturday!

Sail on the Bay in J24 keelboats

Noon - 2:30 pm

Dates:

Saturday March 10th, sign up by March 8th!

Saturday March 31st, sign up by March 29th!

To register:

Call or email Amy at 415-421-2225 or Amy.Lyons@tisailing.org

More information about our adult sailing program can be found on our website www.tisailing.org

Treasure Island Sailing Center

Spring 2007 Youth Sailing

Beginner/Intermediate Sailing Class

Saturdays 10 - 2, May 5 - June 2

$120, scholarships available

Call or email Amy at 415-421-2225 or Amy.Lyons@tisailing.org

More information about our adult sailing program can be found on our website www.tisailing.org

Closure of 4th Street between Harrison Street and Bryant Street

- Beginning Monday, February 26, 2007 until Friday, March 30, 2007, from 10:00 PM to 5:00 AM, Mondays through Fridays, 2 lanes on 4th Street between Harrison Street and Bryant Street will be closed for drainage repairs
- During these nighttime closures, the two far right hand lanes on 4th Street between Harrison Street and Bryant Street will be open for through traffic.
- Pedestrians will have a temporary walkway in the daytime. Occasionally, during the nighttime work, there will be no pedestrian walkway available on 4th Street between Harrison Street and Bryant Street. Pedestrians will be rerouted to 3rd Street or 5th Street. When the 4th Street sidewalk is closed, SFPD will be posted on either side of the closure to direct pedestrians.
- Access to all businesses and residences will be maintained at all times.
- Construction operations are weather dependant and subject to change.

For more information, please contact Margena Wade at (415) 286-1553 or (415) 597-5895. Visit the project website at www.baybridgeinfo.org

Easter Egg Hung

Date of Event: April 1, 2007

Time Range: 1:30 pm - 3:00 PM

Location: Fog Watch

Audience: Young Children, Parents, Island Residents

Contact Name: Kathryn Lungren

Contact Phone: 415-520-6653

E-mail Address: good_neighbors@comcast.net

Misc: There will be an Easter egg hunt, Pinata, games, hot dogs and soft drinks.

This is a great way to meet neighbors and fun for young children.

Life Learning Academy INTERNSHIP OPEN HOUSE!!

When: 11:30 AM, March 22, 2007

Where: Life Learning Academy
651 8th Street
Treasure Island
San Francisco, CA 94130

What: An open house to introduce you to the Life Learning Academy! We'll have:

- School tours
- Light refreshments
- An introduction to the program from our principal
- Specifics about the program

Why come?

- Come learn about what our interns have to offer and how you can support youth in your community
- Learn about the LLA philosophy
- Meet our principal, Dr. Teri Delane
- Find out if you might be a good fit as a mentor
- Meet some of our great students!

This open house should last about an hour and a half and you are invited to stay after for a delicious lunch!

Please RSVP to your LLA contact or Robin Havens:
(415) 397 – 8957 or email at RHavens72@earthlink.net)

Arts & Crafts Center

CRAFT MATERIALS:

- Green lollipops
- Aluminum foil
- Twist tie
- Plastic wrap
- Green or white ribbon
- Tape
- Safety pin

1. Unwrap three green lollipops and lay them on a piece of aluminum foil. With the sides butting and the sticks overlapping, form a shamrock and secure it with a twist tie.

2. Next, cover the candy tightly with a circle of plastic wrap and twist the excess wrap around the sticks. Tie a length of narrow green or white ribbon into a bow around the twist tie.

3. Use a strong piece of tape to attach a large safety pin to the back of the top lollipop.

Variations:

For a longer-lasting but non-edible pin, unwrap the lollipops and paint them with white glue or polyurethane. Insert the lollipops into a potato half so they stand free when drying. Then arrange the dried lollipops on foil to form the shamrock. Squeeze glue on the sticks where they overlap and allow to dry. Tie bows around the sticks, and add a safety pin to the shamrock's back.

To check out for more crafts and recipes, go to: http://jas.familyfun.go.com

Yogurt Berry Parfaits

by Stella Zedman

Here's a job easy enough for your littlest Mother's Day helper to do all by herself. These Yogurt Berry Parfaits look as great as they taste – a deliciously guilt-free way to start the day.

Ingredients

- 2 cups (500 mL) vanilla yogurt (or any other flavour you like)
- 2 cups (500 mL) berries – any combination of blueberries, raspberries, strawberries and blackberries (choose at least 2)
- 2 cups (500 mL) granola cereal
- 1 tbsp (15 mL) icing sugar
- 4 additional berries for decoration

Cooking Instructions

1. If you have proper parfait glasses, use them. (Tall parfait glasses will show off the layers.) If not, you can use any other pretty glass dessert dishes you might have. You'll need four.
2. Into each parfait or dessert dish, spoon about 2 tbsp (30 mL) of yogurt.
3. On top of the yogurt layer, add 2 tbsp (30 mL) of the berry mixture, and then 2 tbsp (30 mL) of the granola. Repeat the layers: yogurt, berries and granola.
4. Dust the top lightly with the icing sugar and place a single whole berry in the middle.

1. The little soldier was made of out of ___ ___ ___, a metal.
   itn
2. When you ___ ___ ___ ___ something you give it shape or purpose.
   lmdo
3. The little tin ___ ___ ___ ___ ___ ___ ___ was ready to fight in the war.
   rdosile
4. ___ ___ ___ ___ ___ ___ ___ ___ means, human, people, mankind
   umiatnyH
5. It was his job, his ___ ___ ___ ___, to guard the bridge.
   akts
6. ___ ___ ___ ___ ___ ___ ___ sounds like boom, boom after a flash of lightening.
   redThnu
7. He was the boss of the men, he was in ___ ___ ___ ___ ___ ___ ___.
   cmoamdn
8. The ___ ___ ___ ___ ___ ___ tin soldier was 3 inches tall.
   ittell

Select your answers from the following words:

task	Humanity	soldier	command	little
mold	tin	Thunder		

THE STORY OF MOTHER'S DAY

Taken from: http://www.care2.com/gates/holidays/mothersday/

Mother's Day celebrations date back at least as far as ancient Greece, where worshipers observed a spring day in honor of Rhea, the Mother of the gods. In 17th century England, Christians celebrated "Mothering Sunday," the fourth Sunday in Lent, to honor the Virgin Mary and other faithful Moms.

In the United States, Julia Ward Howe, (who wrote the lyrics to the "Battle Hymn of the Republic"), suggested the idea of Mother's Day in 1872. Howe envisioned the holiday as being dedicated to world peace.

The first Mother's Day celebrations in the USA took place in West Virginia in 1908, at the urging of Ana Jarvis. Ana's own mother had passed away several years earlier, and it had been her dream to reunite families divided by the Civil War with a day dedicated to Mothers. The idea quickly caught on, and in 1914 Woodrow Wilson declared the second Sunday of May to be the official Mother's Day.

In the years since its inception, the holiday has spread worldwide. Denmark, Finland, Italy, Turkey, Australia and Belgium now celebrate Mother's Day on the same day as the United States.

A TRIBUTE TO MOMS WILD & WONDERFUL

from Defenders of Wildlife

This Mother's Day, we salute moms wild and wonderful. Like their human counterparts, animal mothers love, protect, and sacrifice for their young. Our kudos to moms of the wild who provide:

Food

A human baby's hungry cry elicits a mother's urge to feed and comfort. So too does a Western gull chick's pecking of its mother's red bill spot or a wolf pup's licking of the alpha female's furry muzzle. The young chick or wolf's request is generally answered by the mother passing food from her own stomach to the mouth of her offspring.

Shelter & Warmth

Like human mothers who bundle their babies in warm, fuzzy blankets and hold them close during winter, millions of animal mothers instinctively protect their young from the cold. Alligator and crocodile mothers cover their buried clutches of eggs with vegetation that radiates heat as it rots, keeping nest temperatures within tolerable limits.

Penguin mothers , and fathers for that matter , hold their eggs on their feet to keep them above the frozen land. Mother bears, wolves, and foxes build dens to shelter vulnerable young from the elements.

Affection

Affection is often credited as a wholly human trait, but it is not absent from other sectors of the animal kingdom. Human mothers use baby talk and gentle caresses; chimpanzee, wolf and cat mothers regularly spend hours grooming their children. While licking certainly keeps the young clean, it is also likely a mother-child bonding ritual.

Sacrifice

Many characterize motherhood in terms of sacrifice. Human mothers put aside promising careers or save "pin money" for their children's college education. Animal mothers sometimes make astounding sacrifices, forfeiting their own lives for their children's well-being. Sockeye salmon, for instance, go through a metamorphosis on their trek to spawning grounds that radically changes the color and shape of their heads. So serious is this change that they can not eat, literally giving up their lives so that their eggs have a chance to mature. In fact, the mothers' spent bodies actually become part of a food chain that later benefits their developing young.

Other examples abound, from the killdeer's faking broken wings to lead predators away from their nests to female northern elephant seals investing a full third of their body weight during a month of constantly nursing their new born pups. And lastly, Belding's ground squirrel mothers risk their lives by giving alarm calls, which make them highly visible, when predators get near their children and relatives. These animal moms are clearly laying it all on the line

MEMORIAL DAY
A DAY OF REMEMBERANCE

Memorial Day is a patriotic holiday in the United States of America, usually celebrated on the last Monday in May.

It is a celebration of remembrance for the brave service of men and women who gave their lives for their country. Originally, Memorial Day honored those who had died in the Civil War. Now, it honors those who died in the Spanish-American War, World War I, World War II, the Korean War, Vietnam and Desert Storm.

Memorial Day was declared a federal holiday in 1971. We now, designate this day to remember loved ones who have passed on, as well as remembering our service men and women. Flowers and flags are placed on graves in remembrance of them. Parades and dedications of memorials usually are part of the day's activities. Boy Scouts, Girl Scouts, local marching bands, members of the armed service, fire departments, police departments, and fraternal orders often march in parades and attend ceremonies to commemorate the day

Waterloo, N.Y. is considered the birthplace of this holiday because the people of Waterloo were the first people to proclaim a day on May 5, 1866 to honor the soldiers who died in the Civil War. They closed their businesses and placed flowers and flags on the graves of their soldiers Flags were flown at half-mast.

Major General John A. Logan declared May 30, 1868 as a special day for honoring Union soldiers killed in battle. He was Commander in Chief of an organization of Union Civil War Veterans called the Grand Army of the Republic. They took charge of Memorial Day celebrations in the Northern States. The American Legion took over these duties after World War I.

For more information or activities, check out: http://sunniebunniezz.com/holiday/memorial.htm

IMPORTANT NUMBERS TO REMEBER

Treasure Island Development Authority
(415) 274-0660

Treasure Island Homeless Development Initiative
(415) 274-0311

Villages at Treasure Island
(415) 834-0211
Fax: (415) 834-0210
Emergency After Hours (415) 445-2184

Fire Department	
Emergency	911
Non-Emergency	558-3248
Police Department	
Emergency	911
Non-Emergency	984-0645
	553-0123
MUNI	673-6864
PUC	274-0694
San Francisco Water Department	923-2400
Airport Service (Super Shuttle)	800-258-3826
	800-799-4999
Taxi Service:	
Yellow Cab	626-2345
Luxor	282-4141
DeSoto	970-1300
National	648-4444

6 REASONS WHY YOU SHOULD SEND YOUR CHILD TO THE BOYS & GIRLS CLUBS OF SAN FRANCISCO, TREASURE ISLAND CLUBHOUSE

1. Passionate, Nurturing and Educated staff.
2. A safe place to learn and grow.
3. Exposure to Innovative programs such as Music, Cultural Arts and Sports.
4. Homework Assistance, Education Development and Private Tutoring
5. We build Self Esteem and we help our youth make positive choices
6. Under New Management

If you would like to know more about the Boys & Girls Clubs of San Francisco, please contact Lavina DeSilva, Clubhouse Director, at 415-693-0264 or e-mail her at: LDesilva@kidsclub.org.

BOYS & GIRLS CLUB

NEIGHBORHOOD WATCH PROGRAM

KEEPING YOUR POSESSIONS AND COMMUNITY SAFE

Like all neighborhoods in San Francisco and urban settings in general, Treasure Island and Yerba Buena Island experience criminal activity from time to time. Because of this, some of the residents have gotten together to form Neighborhood Watch Programs. Currently Northpoint Drive , Mariner Drive, and Mason Court have active watches, and Gateview Avenue and Bayside Drive are getting ready to start their own watches.

What is involved in being a member? Participating in a neighborhood watch simply means that you keep an eye open for any suspicious activity in the area. If you see something that concerns you, you either report the incident to the authorities or let another watch member know what's going on. There is no cost involved. In other areas with an active watch crimmal activity is less than surround areas.

Neighborhood watch is not vigilantism and you do not actively confront suspicious people. It does not involve a lot of time (only an occasional meeting to discuss concerns and to get to know other watch members).

By joining the watch you will:

- Get to know your neighbors
- Learn about personal , home and neighborhood safety
- Add to the quality of life on the island by increasing our communal safety
- Have access to an inscriber to mark your valuables in case of theft.

For more information about forming a neighborhood watch, check out www.treasureislandonline.net, www.sfsafe.org, or contact Good Neighbors at 415-520-6653

Treasure Island Development Authority
Treasure Island Homeless Development Initiative
Treasure Island Villages
410 Palm Avenue
Building 1
San Francisco, CA 94130

STAMP

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

Please Note Location

Agenda

Treasure Island /Yerba Buena Island
Citizens' Advisory Board

Tuesday April 03, 2007 -- 6:00 p.m.

San Francisco City Hall, Room 201
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

I. Roll Call

II. Approval of October 24, 2006 CAB Minutes. (Action Item)

III. TIDA Staff Updates (Information Item):
a) Treasure Island Development Authority Board meetings of October 30, November 8, December 13, 2006 and January 10, February 14 and March 14, 2007.
b) Legislative
c) Development Schedule
d) Naval Negotiations
e) Bay Bridge
f) Job Corps
g) Island Clean-Up

IV. Presentation of Development Update for the Redevelopment of Former Naval Station Treasure Island (Discussion Item)

V. Elections (Action Item)

VI. By-Laws Review (Discussion Item)

VII. Future Agenda Items Discussion. (Action Item)

VIII. Announcements from Board members. (Information Item)

IX Public Comments

X. Adjourn

RECYCLED PAPER

MEETING AGENDAS AVAILABLE ON E-MAIL

If you would like to receive TICAB meeting agendas by e-mail, please send your name and e-mail address to TICAB@sfgov.org.

Disability Access

The Treasure/Yerba Buena Island Citizen Advisory Board meets on Treasure Island in Building 442, City Hall, 1 Dr. Carlton Goodlett Place or at the San Francisco Redevelopment Agency. All buildings are accessible to persons using wheelchairs, and others with disabilities. For American Sign Language interpreters or use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please telephone 554-6789 or 274-0660 at least 48 hours before a meeting.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

The closest accessible BART is Civic Center, three blocks from the City Hall at the intersection of Market, Grove and Hyde Streets. Accessible MUNI lines serving this location are: #42 Downtown Loop, 9 San Bruno and the #71 Haight/Noriega. Accessible Muni Metro lines are J, K, L, M and N stopping at the Muni Metro Civic Center Station at Market and Van Ness. For more information about MUNI accessible services, call 923-6142. Accessible curbside parking is available on Grove Street.

TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna_Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.

Mayor Gavin Newsom
Claudine Cheng, President, Treasure Island
Development Authority
Mirian Saez, Director of Island Operations

Produced with the assistance of "Good Neighbors" -
volunteers on TI YBI

Important Numbers to Have

Emergency:	**Dial 911**
Leasing Office	(415) 834-0211
• Maintenance	(415) 834-0211
• Emergency After Hours	(415) 445-2184
Comcast	(800) 266-2278
Good Neighbors (Community Group)	(415) 520-6653
Muni/511.Org	Dial 511
Neighborhood Watch	(415) 738-8773
Treasure Island Development Authority	(415) 274-0660
SBC/ATT	(800) 310-2355
SFICA - Community Association	(415) 520-6672
SF Unified School District	(415) 242-2600
San Francisco Supervisor Chris Daly	(415) 554-7970
Treasure Island Creative Network	(415) 274-0311 ext. 301
Treasure Island Development Authority	(415) 274-0660
Treasure Island Homeless Dev. Initiative	(415) 274-0311

Island Related Websites

www.sfgov.org/Treasureisland	*(TI Development Authority)*
www.TIHDI.org	*(TI Homeless Dev. Initiative)*
www.TreasureIslandOnline.net	*(Community Resources/News)*
www.94130.com	*(Online community)*
www.94130.net	*(Online community)*

Recreation

TI Sailing Center	www.tisailing.org	(415) 421-2225
Golden Gate Rugby	www.sfggrfc.com	(415) 335-3079
SF Stars Netball	www.starsnetball.com	(415) 259-8489
YMCA Gym		(415) 765-9037
Marina	www.treasure-isle.com	(415) 981-2416
Yacht Club	www.tiyc.org/	(415) 434 4475
SF Little League	www.sfll.org	(415) 263-0510

Youth

Kidango	www.kidango.org	(415) 834-0602
SF Boys & Girls Club	www.bgcsf.org	(415) 362-9037

Stores

Treasure Island Mini-Market 7 a.m. to 8 p.m., Saturday & Sunday 10 a.m. to 7 p.m.
Treasure Island Photo Booth Treasure Island front gate. Hours are variable.

Fresh Food

Chicken Hooray! The Chicken Hooray! Truck will serves fresh, hot chicken every Thursday in the Chapel Parking Lot. Please look for the red and silver checkered rotisserie truck. Hours of Operation: 3:00 PM to 7:30 PM

Restaurant

Crossroads Cafe by the Bay Treasure Island Marina parking lot, outside the Treasure Island front gate Hours of operation: Tuesday through Friday: 7 a.m. to 3 p.m., Saturday: 8 a.m. to 3 p.m *For to-go orders, please call (415) 362-5851 during regular business hours.*

Job Corps Advanced Culinary Academy Fine Dining Restaurant Job Corps - Building 368, 9th Street and Avenue C
Hours of operation: Tuesday through Thursday: 12 noon to 1 p.m. *Reservations required. Please call **(415) 277-2301***

Delivery to the Islands

Planet Organics	(800) 956-5855	www.planetorganics.com
Chinese Food Mae Lee	(415) 242-1006	www.safeway.com
Gino's Pizza	(415) 922-0202	
Pizza Lover	(415) 437-9400	
Town Pizza	(415) 551-2524	

April 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1 Easter Egg Hunt 1:30 pm — 3:00 Adult Kayak Tour LLA Prom fund raising BBQ	2	3	4	5 Chicken Hooray! 3 pm — 7:30 pm	6 TICN Meeting 1 pm — 2 pm	7 Adult Sailing Dinghy Class
8 LLA Prom fund raising BBQ	9	10 CAB Meeting	11 TIDA Meeting 1:30pm to 4:30 pm	12 Chicken Hooray! 3 pm — 7:30 pm	13	14 Luau & Rugby Games 2 pm — 3 Adult Sailing Dinghy Class
15 TICN Market 9 am — 3 pm Adult Sailing Keelboat Class LLA Prom fund raising BBQ	16	17	18 Community Meeting 7 pm — 8:30 pm	19 Chicken Hooray! 3 pm — 7:30 pm	20	21 Youth Development Day Adult Sailing Lunch
22 Adult Sailing Keelboat Class LLA Prom fund raising BBQ	23	24	25	26 Chicken Hooray! 3 pm — 7:30 pm	27	28 ShipShape Building Makeover TI Sailing Center Open house 11 am—4 pm
29 LLA Prom fund raising BBQ	30	See "Events" section for more details on events **Deadline for April Calendar: 4/15** **E-mail marianne.thompson@sfgov.org**				

Events

Every Thursday: 3 pm – 7:30 pm Chicken Hooray! Serving fresh, hot chicken in the Chapel Parking lot. Please look for the red and silver checkered rotisserie truck.

April 1, 8, 15, 22, 29: Life Learning Academy is having a Prom Fund Raising BBQs every Sunday through May 20th at the Crossroads Café 11-4. BBQ, hamburgers, hotdogs, baked beans, potato salad, sodas and coffee. Your support is greatly appreciated.

April 1, 1:30 pm - 3:00 pm Easter Egg Hunt— Free! At the Fog Watch Picnic Area. Hosted by Good Neighbors of TI/YBI. We will also have hot dogs, chips, and soft drinks! Bring your children and get to meet your neighbors.
April 1 - Adult Kayak Tour – Check www.tisailing.org or call Amy Lyons at 415.421.2225

April 6, 1—2 pm. TICN Meeting: at the Ship Shape—open to all potential vendors
April 7 - Adult Sailing Dinghy Class – Check www.tisailing.org or call Amy Lyons at 415.421.2225
April 10, 6 pm CAB meeting . Location varies
April 11, 1:30 pm – 4:30 pm TIDA Meeting Treasure Island Development Authority Meeting, 2nd Wed of each month unless otherwise specified. 1:30 - 4:30 pm unless otherwise specified. San Francisco City Hall, Room 400. E-mail TIDA@sfgov.org for more information

April 14, 11 am onwards Polynesian Luau and Five Rugby Games (food for sale) Please join us for the Rugby Super League Season Opener against Denver with a celebration to follow. Check www.sfggrfc.com for updates
April 14 - Adult Sailing Dinghy Class – Check www.tisailing.org or call Amy Lyons at 415.421.2225

April 15 - Adult Sailing Keelboat Class – Check www.tisailing.org or call Amy Lyons at 415.421.2225
April 15, 9am—3pm TICN Market Farmers, Crafts and Flea markets at the Marina parking lot

April 18, 7 pm – 8:30 pm Community Meeting. Sponsored by TIDA, TIHDI and SFICA. Come to hear the latest on things that aff the community. In the ShipShape building.

April 21, 1 pm - 3 pm. Youth Development Day. Rugby Super League game and a Netball Game for viewing. Please e-mail mvsfgg@yahoo.co.uk for info and to RSVP
April 21 - Adult Sailing Lunch Cruise – Check www.tisailing.org or call Amy Lyons at 415.421.2225

April 22 - Adult Sailing Keelboat Class – Check www.tisailing.org or call Amy Lyons at 415.421.2225
April 28 Makeover of the ShipShape Building (volunteers needed) Contact Yvette Phillips-Aldama at TIDA for more info (274-0311)
April 28, 11 am—4 pm Treasure Island Sailing Center—Opening Day/Open House. Free sailboat rides, games, concessions, free Kayak rides. Come and see us! Contact (415) 421-2225 OR www.tisailing.org

We are celebrating **Week of the Young Child** (April 23- 28) and will be exhibiting art work in the gallery of the Adminstrative Building. 410 Avenue of the Palms, for the entire week created by the children here at the center. We will also have a scholastic book fair that entire week here at Kidango Treasure Island.

Tamarra Barrett
Center Director - Treasure Island Center
Kidango
tbarrett@kidango.org
http://www.kidango.org

Easter Egg Hunt

April 1, 2007
1:30 pm - 3:00 PM
At the Fog Watch

Come and bring your children— there will be an Easter egg hunt, Pinata, games, hot dogs and soft drinks. This is a great way to meet neighbors and have fun with your family.

Contact Phone: 415-520-6653
E-mail Address: good_neighbors@comcast.net

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

DRAFT Minutes of Meeting
Treasure Island Development Authority
March 14, 2007

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

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1. **Call to Order:** 1:44 PM

Roll Call Present: Claudine Cheng (Chair)
Jesse Blout
Jared Blumenfeld
Marcia Rosen
Owen Stephens

Excused: John Elberling
Matthew Franklin
Supervisor Chris Daly

2. Report by Director of Island Operations
Ms. Mirian Saez, Director of Island Operations, presented the Director's Report. Discussed work to date by staff on emergency preparedness, negotiations with the PUC over the MOU for outstanding obligations, the FY2007-2008 budget, and work with the City Administrator over the Treasure Island refuse contract, the removal of two sunken vessels from Clipper Cove. Stated she has met with TICD about potential uses and tenants for Building 3. Met with the CalTrans maintenance team about maintenance of the on and off ramps. Toured the Island with a resident, concentrating on the housing area. Discussed upcoming Board items including amendments to the Navy lease to add the 240 Buildings, approval of the community fund expenditures and approval to extend the refuse contract with Golden Gate Disposal. Independent appraisers have conducted a market study of Island properties which will be presented in April.

3. Report by the Mayor's Office of Base Reuse and Development
Mr. Michael Cohen, Office of Base Reuse and Development, discussed work with the developer on the transition plan, issues pertaining to long term on and off ramps issues, recent meeting with the CalTrans Director over long term on and off ramps issues. Discussed a sustainable cities

event held in San Francisco which focused on Treasure Island as a model of sustainable development which was attended by Director Blumenfeld.

Director Cheng requested an update on the status of the Environmental Impact Review and the grant funding available for ferry terminal planning.

4. Communications
There was no discussion of communications.

5. Report by the Treasure Island/Yerba Buena Island Citizen Advisory Board
There was no CAB report given at this meeting.

6. Ongoing Business by Directors
Director Blumenfeld requested an update on budget planning for FY2007-2008.

7. General Public Comment
Mr. Marc Conners, Treasure Island resident, spoke in support of the Island-based Good Neighbors community group.

8. Consent Agenda
Director Blumenfeld requested item 8b pulled for discussion.

There was no public comment on the remaining items.

Director Rosen motioned for approval of Consent Agenda items 8c through 8f.
Director Blumenfeld seconded the motion for approval.
The Consent Agenda items 8c through 8f were approved unanimously.

8b. Amendment to South Waterfront Master Lease to Delete Building 96
Director Blumenfeld asked for further information about Building 96 being determined to be a remediation site.
Mr. Marc McDonald, TIDA Facilities Director, stated that the Navy found that Building 96 contained a plume of known material from the former dry cleaning facility, Building 99, which was already known to be there. The discovery in Building 96 occurred about a year ago. Stated that a majority of the necessary remediation has already been well characterized by the U.S. Navy.

Director Blumenfeld motioned for approval of Consent Agenda item 8b.
Director Rosen seconded the motion for approval.
The Consent Agenda item 8b was approved unanimously

9. Informational Presentation on Bay Bridge Safety
Mr. Raoul Maltez, California Department of Transportation, provided a report on the current on and off ramps from the Bay Bridge to Yerba Buena Island. Discussed what CalTrans is doing in the short term to address safety concerns for motorists exiting and entering the Island via these

ramps. Discussed the long term solutions for the ramps, including rearrangement of the configuration of the ramps, which CalTrans is exploring for the redevelopment of the Islands.

Director Stephens stated his concern is for motorists leaving the Island to get onto the Bay Bridge. Encouraged CalTrans to add reflectors or signage inside the tunnel to allow for motorists on the Bay Bridge to be aware of the vehicles merging onto the Bridge from the Islands.

There was no Public Comment on this item.

10. Amendment to Agreement with the San Francisco County Transportation Authority

Mr. Michael Cohen, Director of Base Reuse and Development, presented an amendment to the agreement with the SFCTA for the preparation of a Project Study Report (PSR) requested by CalTrans for the eventual reconfiguration of the Yerba Buena Islands on and off ramps. This amendment allows for the creation of additional studies requested by CalTrans as part of the scope of this PSR.

Director Blumenfeld requested further information on the planning process for pedestrian and bicycle walkways on the Bay Bridge and their connection with Yerba Buena Island.

There was no Public Comment on this item.

Director Blumenfeld motioned for approval of the item.
Director Rosen seconded the motion.
The item was approved unanimously.

11. Supporting AB 1543 (Leno)

Mr. Michael Cohen, Director of Base Reuse and Development, presented an item requesting support for Assembly Bill 1543 which enables the creation of a Treasure Island transportation district. This item was initially heard at the February TIDA Board meeting and is now back before the Board for approval with legislative language attached, based on a Board request and public comment made at the February meeting.

Director Rosen requested clarification on the responsibility of the TIDA Board within the overall process for establishment of the proposed transportation district. Stated there is nothing in the state legislation which allows for greater specific definition of the program and the proposed district. Stated she is supportive of the item, but suggested adding language to the State legislation adding more TIDA Board influence or discretion to the Transportation District process.

Director Blumenfeld requested more information on the definitions of what is being enabled for creation by this legislation.

Public Comment:

Ms. Eve Bach, ARC Ecology, spoke in support of more substantive review of the proposed legislation and surrounding issues.

Director Rosen motioned for approval of the amended item.
Director Blumenfeld seconded the motion.
The amended item was approved unanimously.

12. Sublease of a Portion of Building 201 to SF Vendings
Mr. Marc McDonald, TIDA Facilities Director, presented a sublease with SF Vendings for a portion of Building 201. SF Vendings uses the building as their base of operations for vending machine distribution throughout the Bay Area. The tenant has brought his rent payments up to date.

Director Rosen motioned to amend the resolution to add a "Further Resolved" clause stating that this and all proposed subleases were subject to fulfillment of insurance requirements prior to execution.

Director Rosen motioned for approval of the item as amended.
Director Blumenfeld seconded the motion.
The item was approved unanimously.

13. Establishing a Yerba Buena Island Tunnel Banner Policy
Ms. Frishta Afifi, Project Manager, presented a banner policy for the rental of the fenced area above the Yerba Buena Island tunnel. This information was provided in an informational item to the Board at the February TIDA Board meeting. This policy will provide for a transparent tool to manage the banner space and to provide a comprehensive structure for executing permits. Discussed the various elements of the policy, policy for request of waiver or reduction of rates, and location-specific issues surrounding the banner space above the Yerba Buena Island tunnel. Any changes to this policy and rental rates will require TIDA Board approval.

Director Blumenfeld requested an update at future meetings on the status of the policy and further discussion on enlarging the size of the banner space.

There was no Public Comment on this item.

Director Blumenfeld motioned for approval of the item
Director Stephens seconded the motion
The item was approved unanimously

14. Presentation on Expenditure of the Community Fund
Ms. Marianne Thompson, TIDA Community Liaison, presented the process and recommendations undertaken to identify needs and wants of the Island community and the recommended expenditures from this fund to address these identified needs. This process was initiated at the request of the TIDA Board in 2005. The Mayor's Office of Base Reuse has invoiced Treasure Island Community Development for the development funds eligible for reimbursement to TIDA, and TIDA is in receipt of these funds which have been earmarked for

expenditure for identified community needs. Discussed the on-Island stakeholder's involvement and community meetings and workshops held throughout the process. Several of the initial needs identified were remedied by various City departments, on-Island agencies and TIDA staff and thus are no longer up for consideration. The list currently before the Board makes up the initial identified needs which can be met via expenditure of a portion of this fund. This list has been reviewed and discussed with the Treasure Island Homeless Development Initiative prior to submittal to the Board. The total initial expenditure addresses the identified needs of the community, apart from a general store, fulfilling the TIDA Board's intent when it initiated this process.

Director Blumenfeld asked if any of the prioritization discussion mentioned the Treasure Island gymnasium.
Ms. Thompson stated that the YMCA has done a good job operating the gymnasium and there has been no needs currently identified as related to the gymnasium.

Director Blout requested further information about the proposed skateboard park and budgeted amount proposed for such a park.

Director Rosen stated that discussion should reflect that this is money that TIDA is allowed to invoice the developer for reimbursement. These are net revenues programmed for this community benefit usage and the fund name should reflect that it is a community benefit fund.

Public Comment
Ms. Sherry Williams, TIHDI Executive Director, spoke in support of the expenditure of community benefit funds for the proposed uses. Spoke in support of an April 28th event providing a makeover to the ShipShape Building.

Ms. Lavina DeSilva, Boys and Girls Club Treasure Island Unit, spoke in support of the community benefit funds expenditure. Discussed ongoing activities at the Treasure Island Boys and Girls Club.

Mr. Mark Baker, Kidango Child Development Center, spoke in support of the community benefits fund expenditure.

15. Informational Presentation on 311 Customer Service Center
Ms. Heidi Sieck, 311 Project Director, presented information on the City's new 311 Center. 311 is a phone number established by the Federal Communications Commission to alleviate call volume to 911 for non-emergency situations. 311 is geared towards customer service, and San Francisco is one of the last major cities in the nation to implement a 311 center. Discussed process by which the City calls 311 and the 311 Center assist them with their problem or request. 311 strives to provide one toll-free phone number as an access point to all City phone numbers, departments and resources. It has disability access and operators in several languages. The 311 Center is located at 1 South Van Ness and can function as a backup 911 facility. 311 will be launched City wide on March 29, 2007.

Director Blumenfeld requested TIDA staff assist in ground testing to assure that 311 is operable on Treasure and Yerba Buena Island. Requested that 311 work to alert Treasure Island residents to future job opportunities with 311.

There was no Public Comment on this item.

16. Informational presentation on Walden House Inc. Proposal for Reuse of Building 670 – Treasure Island Brig

Mr. Marc McDonald, TIDA Facilities Director, presented information on Walden House's proposed use of the Treasure Island Brig – Building 670. Walden House is proposing use of the Brig for an in-custody rehabilitation program focused on skills development, vocational training and community participation development through volunteerism. Walden House proposes to pay the Authority $250,000 per year for use of the Brig. Walden House proposes to make repairs and improvements to the Brig for the purposes of their program. This proposal is based on a grant application Walden House has submitted to the California Department of Corrections which is currently pending.

Public Comment:
Ms. Renee Smith, Walden House, spoke in support of Walden House's use of the Brig. Discussed the pending grant application process.

Ms. Wanda Barnes, Walden House, spoke in support of Walden House's proposed use of the Brig.

17. Discussion of Future Agenda Items by Directors

There was no discussion at this time.

There was no public comment on this item.

18. The meeting adjourned at 3:30 PM.

AGENDA ITEM 8 (b)
Treasure Island Development Authority
City and County of San Francisco
Meeting of April 11, 2007

Subject: Authorizing the First Amendment to the Sublease between the Treasure Island Development Authority and Rubicon Programs to Increase Utility Rates from $236.87 to $255.00 per unit per month. (*Action Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

Rubicon Programs, a member organization of the Treasure Island Homeless Development Initiative ("TIHDI") provides permanent supportive housing on Treasure Island to formerly homeless families. Support services include case management, counseling and employment services.

Between 1996 and 1999, the City and County of San Francisco and the Treasure Island Development Authority (the "Authority") entered into a series of agreements that provided the basis for the housing programs on Treasure Island. On November 26, 1996, the Department of Housing and Urban Development ("HUD") approved the City's Base Reuse Plan for Treasure Island, which among other things, provided member organizations of TIHDI options to lease up to 375 units of housing on Treasure Island and Yerba Buena Island. On September 1, 1999, the US Navy and the Authority entered into Navy Lease No. N6247499RP00B19, the Treasure Island Housing Lease, for the initial residential units that were provided to TIHDI. In furtherance of the agreements with HUD, on February 28, 2001, Rubicon Programs, Inc., a 501 (c) (3) California non-profit corporation ("Subtenant"), entered into a Sublease ("Sublease") with the Authority for forty four (44) residential units and related premises on Treasure Island.

Utilities Rate Increase

The San Francisco Public Utilities Commission ("SFPUC") provides all utilities and utilities services to Treasure Island.

Individual residential units are not metered on Treasure Island. Instead, according to Exhibit E **Utility Fees** of the Sublease, the Subtenant pays the SFPUC a flat rate for utilities services. A flat utility rate of One Hundred Eighty Dollars ($180) per unit, adjusted by 4% annually, was established for each of the residential housing units. As a result of the annual adjustments, the current utility rate is Two Hundred Thirty Six Dollars and eighty seven cents ($236.87) per unit per month.

In an effort to address current and projected fluctuations in the cost of utilities commodities and services, SFPUC staff asked the Authority to increase residential rates. Project Staff agreed that the SFPUC request for a rate increase was reasonable based on the need of SFPUC to recover its costs associated with managing and operating the Treasure Island utilities infrastructure. SFPUC staff and Project Staff negotiated an adjustment to Two Hundred and Fifty Five Dollars ($255.00) per unit per month, subject to an annual increase of at least 4% per year. However, if SFPUC costs increase greater than projected, then the Authority would be able to increase utility rates consistent with a rate adjustment requested by the SFPUC.

Project Staff proposes to increase the utility rates for the 44 units managed by the Subtenant from $236.87 per month to $255 per month effective July 1, 2007. An increase of the flat utility rate to $255 per month will increase SFPUC collections from approximately Ten Thousand Four Hundred and Twenty Two Dollars ($10,422) per month to approximately Eleven Thousand Two Hundred and Twenty Dollars ($11,220) per month for the 44 units subleased to Subtenant.

STANDING AS SUBTENANT

Subtenant pays a monthly Common Area Maintenance ("CAM") charge of Two Thousand and Fifty Five ($2,055.00) that was established by the Navy in 1999. The Subtenant is current in its CAM payments to the Authority. The Subtenant has no obligation to establish a Security Deposit with the Authority. The Subtenant is not compliant with the requirements of the Sublease with respect to proof of insurance. The Sublease requires the Subtenant to provide proof of coverage of $2,000,000 in Personal Injury Insurance. The Subtenant has provided proof of $1,000,000 of coverage. The Sublease requires the Subtenant to provide proof of Worker's Compensation Insurance in the amount of $1,000,000. The Subtenant has provided proof of adequate Worker's Compensation insurance. The Sublease requires the Subtenant to provide proof of Auto Liability Coverage of $1,000,000. The Subtenant has provided proof of sufficient coverage. The Sublease requires the Subtenant to provide Builder's Risk Insurance for Full Replacement Value. The Subtenant provides no Builder's Risk Insurance coverage. The Sublease requires the Subtenant to provide proof of Professional Liability Insurance of $1,000,000. The Subtenant has provided proof of adequate coverage. The Sublease requires the Subtenant to provide proof of Property Insurance for Full Replacement Value. The Subtenant has provided no proof of Property Insurance. The Subtenant has provided proper endorsements naming the Authority, the City of San Francisco and the US Navy as additional insureds to the policies of insurance. Project Staff is working with the Subtenant and the Risk Manager to correct the deficiencies.

RECOMMENDATION

Project Staff recommends Authority approval of the proposal to amend the Sublease between the Authority and Rubicon Programs, Inc., to establish residential utility rates of $255 per unit per month beginning July 1, 2007, subject to Subtenant's compliance with the appropriate insurance requirements approved by the City's Risk Manager.

EXHIBIT

EXHIBIT A - First Amendment to Sublease between the Treasure Island Development Authority and Rubicon Programs, Inc., a member organization of the Treasure Island Homeless Development Initiative, as Subtenant

Prepared by Marc McDonald, Facilities Manager

For Mirian Saez, Director of Island Operations

[Resolution Modifying Rubicon Programs Utility Rates]

Authorizing the First Amendment to the Sublease between the Treasure Island Development Authority and Rubicon Programs to Increase Utility Rates from $236.87 to $255.00 per unit per month.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, the Treasure Island Homeless Development Initiative ("TIHDI") and the San Francisco Redevelopment Agency negotiated a Base Closure Homeless Assistance

Agreement and Option to Sublease Real Property (the "TIHDI Agreement"), which was endorsed by the City's Board of Supervisors and approved by the United States Department of Housing and Urban Development; and,

WHEREAS, Under the TIHDI Agreement, TIHDI among other things is granted the right, upon the satisfaction of certain conditions precedent, to have one or more of its member organizations sublease certain housing units on the Base, as more particularly described in the TIHDI Agreement; and,

WHEREAS, In support of the Rubicon Programs mission of providing supportive housing on Treasure Island for formerly homeless families, on February 28, 2001, the Authority and Rubicon Programs, Inc., a 501 (c) (3) California non-profit corporation, entered into a sublease ("Sublease") for forty four (44) units and related premises on Treasure Island; and,

WHEREAS, Subtenant is a member organization of TIHDI; and,

WHEREAS, According to Exhibit E "Utility Fees", Paragraph 4. RATES, of the Sublease, residential utility rates for units managed by the Subtenant were established in 1999 at a flat rate of One Hundred and Eighty Dollars ($180) per unit per month and increased by four percent (4%) each year; and,

WHEREAS, In accord with the formula for residential utility rates established in 1999, the current residential utility rate is Two Hundred Thirty Six Dollars and eighty seven cents ($236.87) per unit per month; and,

WHEREAS, According to the staff of the San Francisco Public Utilities Commission ("SFPUC"), the cost of commodities and maintenance have escalated substantially, and the revenues generated from rates charged to utilities consumers on the Base are insufficient to pay for the cost of commodities, operation and maintenance for such utilities systems; and,

WHEREAS, Project Staff and SFPUC staff have negotiated a residential utility rate adjustment limited to $255.00 per unit for units managed by the Subtenant; and

WHEREAS, To reflect the increasing costs of commodities plus maintenance and operations, Project Staff recommends that rates continue to be adjusted by 4% per year; and

WHEREAS, The Authority wishes to modify the utilities rates as recommended by Project Staff to allow the SFPUC to recover reasonable costs for utilities services provided to residential units on the Base; and,

WHEREAS, The Subtenant has not provided adequate proof of insurance required by the terms and conditions of the Sublease; Now, Therefore Be It

RESOLVED, That the Authority hereby approves and authorizes the Director of Island Operations to enter into a First Amendment to the Sublease in substantially the form attached as Exhibit A to establish a flat utility fee of $255 per rentable unit per month which rate shall be increased on July 1 of each year by at least 4%, however, the Authority would be able to increase the utility fee consistent with a rate adjustment requested by the SFPUC; and, Be It,

FURTHER RESOLVED, That this First Amendment to the Sublease shall become effective July 1, 2007; and Be It,

FURTHER RESOLVED, That this Authority instructs the Director of Island Operations to take all necessary and reasonable action to assure that the Subtenant complies with all terms and conditions of the Sublease, including those provisions that require the Subtenant to obtain adequate insurance acceptable to the City's Risk Manager.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed special meeting on April 11, 2007.

_____

John Elberling,
Secretary

AVERY
RECYCLED PAPER MADE FROM 20% POST CONSUMER CONTENT

EXHIBIT A

FIRST AMENDMENT TO SUBLEASE

THIS FIRST AMENDMENT TO SUBLEASE (the "Amendment"), dated as of _____, 2007, is by and between the Treasure Island Development Authority ("Sublandlord") and Rubicon Programs, Inc., a 501 (c) (3) California non-profit corporation ("Subtenant").

This Amendment is made with reference to the following facts and circumstances:

A. On February 28, 2001, Sublandlord and Subtenant entered into a Sublease ("Sublease") pursuant to which Sublandlord agreed to sublease to Subtenant forty four (44) housing units and related premises located on former Naval Station Treasure Island in the City and County of San Francisco. Such 44 housing units and related premises are shown on Exhibit B to the Sublease.

B. Paragraph 4 of Exhibit E of the Sublease describes Utilities Fees that shall be paid by the Subtenant.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, Sublandlord and Subtenant hereby agree to amend Paragraph 4 of Exhibit E of the Sublease in its entirety as follows effective July 1, 2007:

> **Rates.** Commencing on July 1, 2007, Subtenant shall pay a flat rate of Two Hundred Fifty Five Dollars ($255) per unit per month (the "Base Utility Fee") for the utility services described herein. The Base Utility Fee shall be increased by 4% each succeeding July 1, during the Term of the Sublease. Sublandlord may increase the Utility Rate annually consistent with rate adjustments requested by the San Francisco Public Utilities Commission.

Sublandlord and Subtenant have executed this Amendment in triplicate as of the date first written above.

SUBTENANT
RUBICON PROGRAMS, INC., a 501(c)(3) non-profit corporation

By:_____

Its:_____

SUBLANDLORD
TREASURE ISLAND DEVELOPMENT AUTHORITY

By:_____
Mirian Saez
Its Director of Island Operations

Approved as to Form:
DENNIS J. HERRERA, City Attorney

By:_____
Deputy City Attorney

AGENDA ITEM 8 (c)
Treasure Island Development Authority
City and County of San Francisco
Meeting of April 11, 2007

Subject: Authorizing the First Amendment to the Sublease between the Treasure Island Development Authority and Swords to Plowshares to Increase Utility Rates from $236.87 to $255.00 per unit per month. (*Action Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

Swords to Plowshares, a member organization of the Treasure Island Homeless Development Initiative ("TIHDI"), provides direct assistance to veterans in a comprehensive peer support and care model through a Vets-helping-Vets mentorship approach. They provide emergency, transitional supportive and permanent supportive housing for homeless Veterans. They also provide crisis intervention and counseling for Veterans with mental health concerns ranging from post traumatic stress disorder through addiction and recovery. Vocational training includes support in passing the California General Education Development Test (GED) as well as obtaining an Associates of Art degree from local community colleges. Through their peer support network they provide training and job placement to veterans nationwide.

Between 1996 and 1999, the City and County of San Francisco and the Treasure Island Development Authority (the "Authority") entered into a series of agreements that provided the basis for the housing programs on Treasure Island. On November 26, 1996, the Department of Housing and Urban Development ("HUD") approved the City's Base Reuse Plan for Treasure Island, which among other things, provided member organizations of TIHDI options to lease up to 375 units of housing on Treasure Island and Yerba Buena Island. On September 1, 1999, the US Navy and the Authority entered into Navy Lease No. N6247499RP00B19, the Treasure Island Housing Lease, for the initial residential units that were provided to TIHDI. In furtherance of the agreements with HUD, on September 1, 1999, the Authority and Swords to Plowshares, Inc., a 501(c) (3) non-profit corporation ("Subtenant"), entered into a Sublease ("Sublease") for twenty four (24) residential units and related premises.

Utilities Rate Increase

The San Francisco Public Utilities Commission ("SFPUC") provides all utilities and utilities services to Treasure Island.

Individual residential units are not metered on Treasure Island. Instead, according to Exhibit E **Utility Fees** of the Sublease, the Subtenant pays the SFPUC a flat rate for utilities services. A

flat utility rate of One Hundred Eighty Dollars ($180) per unit, adjusted by 4% annually, was established for each of the residential housing units. As a result of the annual adjustments, the current utility rate is Two Hundred Thirty Six Dollars and eighty seven cents ($236.87) per unit per month.

In an effort to address current and projected fluctuations in the cost of utilities commodities and services, SFPUC staff asked the Authority to increase residential rates. Project Staff agreed that the SFPUC request for a rate increase was reasonable based on the need of SFPUC to recover its costs associated with managing and operating the Treasure Island utilities infrastructure. SFPUC staff and Project Staff negotiated an adjustment to Two Hundred and Fifty Five Dollars ($255.00) per unit per month, subject to an annual increase of at least 4% per year. However, if SFPUC costs increase greater than projected, then the Authority would be able to increase utility rates consistent with a rate adjustment requested by the SFPUC.

Project Staff proposes to increase the utility rates for the 24 units managed by the Subtenant from $236.87 per month to $255 per month effective July 1, 2007. An increase of the flat utility charge to $255 per month will increase SFPUC collections from approximately Five Thousand Six Hundred and Eighty Five Dollars ($5,685) to Six Thousand One Hundred and Twenty Dollars ($6,120) per month for the 24 units.

STANDING AS SUBTENANT

Subtenant pays a monthly Common Area Maintenance ("CAM") charge of One Thousand One Hundred Forty Six Dollars and Seventy One Cents ($1,146.71) that was established by the Navy in 1999. The Subtenant is current in its CAM payments to the Authority. The Subtenant has no obligation to establish a Security Deposit with the Authority. The Subtenant is not compliant with the requirements of the Sublease with respect to proof of insurance. The Sublease requires the Subtenant to provide proof of $2,000,000 of Personal Injury Insurance. The Subtenant has provided proof of $1,000,000 of coverage. The Sublease requires the Subtenant to provide proof of Worker's Compensation Insurance in the amount of $5,000,000. The Subtenant has provided proof of $1,000,000 of Workers Compensation insurance. The Sublease requires the Subtenant to provide $1,000,000 of Automobile Liability Insurance. The Subtenant has provided proof of adequate insurance. The Sublease requires the Subtenant to provide Full Replacement Value property insurance. The Subtenant has provided Property Insurance in the amount of $1,500,000. The Sublease requires the Subtenant to provide proof of Professional Liability Insurance in the amount of $1,000,000. The Subtenant has provided proof of adequate insurance. Finally, the Sublease requires the Subtenant to provide "all risk" Builder's Risk Insurance. The Subtenant provides none. The Subtenant has provided proper endorsements naming the Authority, the City of San Francisco and the US Navy as additional insureds to the policies of insurance. Project Staff is working with the Subtenant and the Risk Manager to correct the deficiencies.

RECOMMENDATION

Project Staff recommends Authority approval of the proposal to amend the Sublease between the Authority and Swords to Plowshares to establish residential utility rates of $255 per unit per

month beginning July 1, 2007, subject to Subtenant's compliance with the appropriate insurance requirements approved by the City's Risk Manager.

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EXHIBIT

EXHIBIT A - First Amendment to Sublease between the Treasure Island Development Authority and Swords to Plowshares, a member organization of the Treasure Island Homeless Development Initiative as Subtenant

Prepared by Marc McDonald, Facilities Manager

For Mirian Saez, Director of Island Operations

[Resolution Modifying Swords to Plowshares Utility Rates]

Authorizing the First Amendment to the Sublease between the Treasure Island Development Authority and Swords to Plowshares to Increase Utility Rates from $236.87 to $255.00 per unit per month.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, the Treasure Island Homeless Development Initiative ("TIHDI") and the San Francisco Redevelopment Agency negotiated a Base Closure Homeless Assistance

Agreement and Option to Sublease Real Property (the "TIHDI Agreement"), which was endorsed by the City's Board of Supervisors and approved by the United States Department of Housing and Urban Development; and,

WHEREAS, Under the TIHDI Agreement, TIHDI among other things is granted the right, upon the satisfaction of certain conditions precedent, to have one or more of its member organizations sublease certain housing units on the Base, as more particularly described in the TIHDI Agreement; and,

WHEREAS, To provide emergency, transitional supportive and permanent supportive housing for homeless Veterans, on September 1, 1999, the Authority and Swords to Plowshares, Inc., a 501(c) (3) non-profit corporation ("Subtenant"), entered into a sublease ("Sublease") for twenty four (24) units and related premises on Treasure Island; and,

WHEREAS, Subtenant is a member organization of TIHDI; and,

WHEREAS, According to Exhibit E "Utility Fees", Paragraph 4. RATES, of the Sublease, residential utility rates for units managed by the Subtenant were established in 1999 at a flat rate of One Hundred and Eighty Dollars ($180) per unit per month and increased by four percent (4%) each year; and,

WHEREAS, In accord with the formula for residential utility rates established in 1999, the current residential utility rate is Two Hundred Thirty Six Dollars and eighty seven cents ($236.87) per unit per month; and,

WHEREAS, According to the staff of the San Francisco Public Utilities Commission ("SFPUC"), the cost of commodities and maintenance have escalated substantially, and the revenues generated from rates charged to utilities consumers on the Base are insufficient to pay for the cost of commodities, operation and maintenance for such utilities systems; and,

WHEREAS, Project Staff and SFPUC staff have negotiated a residential utility rate adjustment to $255.00 per unit for units managed by the Subtenant; and,

WHEREAS, To reflect the increasing costs of commodities plus maintenance and operations, Project Staff recommends that rates continue to be adjusted by 4% per year; and,

WHEREAS, The Authority wishes to modify the utilities rates as recommended by Project Staff to allow the SFPUC to recover reasonable costs for utilities services provided to residential units on the Base; and,

WHEREAS, The Subtenant has not provided adequate proof of insurance required by the terms and conditions of the Sublease; Now, Therefore Be It

RESOLVED, That the Authority hereby approves the form of and authorizes the Director of Island Operations to enter into a First Amendment to the Sublease in substantially the form attached as Exhibit A to establish a flat utility fee of $255 per rentable unit per month, which rate shall be increased on July 1 of each year by at least 4%, however, the Authority would be able to increase the utility fee consistent with a rate adjustment requested by the SFPUC; and, Be It,

FURTHER RESOLVED, That this First Amendment to the Sublease shall become effective July 1, 2007; and Be It,

FURTHER RESOLVED, That this Authority instructs the Director of Island Operations to take all necessary and reasonable action to assure that the Subtenant complies with all terms and conditions of the Sublease, including those provisions that require the Subtenant to obtain adequate insurance acceptable to the City's Risk Manager.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed special meeting on April 11, 2007.

_____

John Elberling,
Secretary

AVERY™ RECYCLED PAPER MADE FROM 20% POST CONSUMER CONTENT

EXHIBIT A

FIRST AMENDMENT TO SUBLEASE

THIS FIRST AMENDMENT TO SUBLEASE (the "Amendment"), dated as of _____, 2007, is by and between the Treasure Island Development Authority ("Sublandlord") and Swords to Plowshares, Inc., a 501 (c) (3) non-profit corporation ("Subtenant").

This Amendment is made with reference to the following facts and circumstances:

A. On September 1, 1999, Sublandlord and Subtenant entered into a Sublease ("Sublease") pursuant to which Sublandlord agreed to sublease to Subtenant twenty four (24) housing units and related premises located on former Naval Station Treasure Island in the City and County of San Francisco. Such 24 housing units and related premises are shown on Exhibit B-2 to the Sublease.

B. Paragraph 4 of Exhibit E of the Sublease describes Utilities Fees that shall be paid by the Subtenant.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, Sublandlord and Subtenant hereby agree to amend Paragraph 4 of Exhibit E of the Sublease in its entirety as follows effective July 1, 2007:

> **Rates.** Commencing on July 1, 2007, Subtenant shall pay a flat rate of Two Hundred Fifty Five Dollars ($255) per unit per month (the "Base Utility Fee") for the utility services described herein. The Base Utility Fee shall be increased by 4% each succeeding July 1, during the Term of the Sublease. Sublandlord may increase the Utility Rate annually consistent with rate adjustments requested by the San Francisco Public Utilities Commission.

Sublandlord and Subtenant have executed this Amendment in triplicate as of the date first written above.

SUBTENANT
SWORDS TO PLOWSHARES, a 501 (c) (3) non-profit corporation

By:_____

Its:_____

SUBLANDLORD
TREASURE ISLAND DEVELOPMENT AUTHORITY

By:_____
Mirian Saez
Its Director of Island Operations

Approved as to Form:
DENNIS J. HERRERA, City Attorney

By:_____
Deputy City Attorney

AGENDA ITEM 8(d)
Treasure Island Development Authority
City and County of San Francisco
Meeting of April 11, 2007

Subject: Authorizing the Second Amendment to the Sublease between the Treasure Island Development Authority and Catholic Charities to Increase Utility Rates from $236.87 to $255.00 per unit per month. (*Action Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

Catholic Charities, Archdiocese of San Francisco ("Subtenant"), a member organization of the Treasure Island Homeless Development Initiative ("TIHDI"), has provided supportive permanent housing to homeless families on Treasure Island since 1999.

Between 1996 and 1999, the City and County of San Francisco and the Treasure Island Development Authority (the "Authority") entered into a series of agreements that provided the basis for the housing programs on Treasure Island. On November 26, 1996, the Department of Housing and Urban Development ("HUD") approved the City's Base Reuse Plan for Treasure Island, which among other things, provided member organizations of TIHDI options to lease up to 375 units of housing on Treasure Island and Yerba Buena Island. On September 1, 1999, the US Navy and the Authority entered into Navy Lease No. N6247499RP00B19, the Treasure Island Housing Lease, for the initial residential units that were provided to TIHDI. In furtherance of the agreements with HUD, on September 1, 1999, the Subtenant entered into a Sublease ("Sublease") with the Authority for thirty (30) residential units and related premises on Treasure Island. On March 8, 2000, the Sublease was amended by the First Amendment to Sublease to add an additional thirty six (36) residential units and related premises to the premises of the Sublease, for a total of sixty-six (66) residential units.

Utilities Rate Increase

The San Francisco Public Utilities Commission ("SFPUC") provides all utilities and utilities services to Treasure Island.

Individual residential units are not metered on Treasure Island. Instead, according to Exhibit E **Utility Fees** of the Sublease, the Subtenant pays the SFPUC a flat rate for utilities services. A flat utility rate of One Hundred Eighty Dollars ($180) per unit, adjusted by 4% annually, was established for each of the residential housing units. As a result of the annual adjustments, the

current utility rate is Two Hundred Thirty Six Dollars and eighty seven cents ($236.87) per unit per month.

In an effort to address current and projected fluctuations in the cost of utilities commodities and services, SFPUC staff asked the Authority to increase residential rates. Project Staff agreed that the SFPUC request for a rate increase was reasonable based on the need of SFPUC to recover its costs associated with managing and operating the Treasure Island utilities infrastructure. SFPUC staff and Project Staff negotiated an adjustment to Two Hundred and Fifty Five Dollars ($255.00) per unit per month, subject to an annual increase of at least 4% per year. However, if SFPUC costs increase greater than projected, then the Authority would be able to increase utility rates consistent with a rate adjustment requested by the SFPUC.

Project Staff proposes to increase the utility rates for the 66 units managed by the Subtenant from $236.87 per month to $255 per month effective July 1, 2007. An increase of the flat utility rate to $255 per month will increase SFPUC collections from approximately Fifteen Thousand Six Hundred and Thirty Three Dollars ($15,633) per month to approximately $16,830 per month for the 66 units subleased to the Subtenant.

STANDING AS SUBTENANT

Subtenant pays a monthly Common Area Maintenance ("CAM") charge of One Thousand One Hundred Forty Six Dollars and Seventy One Cents ($1,146.71) that was established by the Navy in 1999. The Subtenant is current in its CAM payments to the Authority. The Subtenant has no obligation to establish a Security Deposit with the Authority. The Subtenant is not compliant with the requirements of the Sublease with respect to proof of insurance. The Sublease requires the Subtenant to provide proof of $2,000,000 of Personal Injury Insurance. The Subtenant has complied with the Personal Injury Insurance requirement. The Sublease requires the Subtenant to provide proof of Worker's Compensation Insurance in the amount of $5,000,000. The Subtenant has provided no proof of Worker's Compensation insurance. The Sublease requires the Subtenant to provide proof of coverage of $1,000,000 in Auto Liability Insurance. The Subtenant has complied with the Auto Liability Insurance requirement. The Sublease requires the Subtenant to provide "all risk" Builder's Risk Insurance. The Subtenant provides none. The Sublease requires the Subtenant to provide $1,000,000 Property Insurance. The Subtenant has complied with the Property Injury Insurance requirement. The Sublease requires the Subtenant to provide $1,000,000 Professional Liability Insurance. The Subtenant has complied with the Professional Liability Insurance requirement. Proper Endorsement of policies naming the City the Authority and the US Navy as additional Insureds has been provided. Project staff is working with the Subtenant and the Risk Manager to correct the deficiencies.

RECOMMENDATION

Project staff recommends Authority approval of the proposal to amend the Sublease between the Authority and Catholic Charities to establish residential utility rates of $255 per unit per month beginning July 1, 2007, subject to Subtenant's compliance with the appropriate insurance requirements approved by the City's Risk Manager.

EXHIBIT

EXHIBIT A - Second Amendment to Sublease between the Treasure Island Development Authority and Catholic Charities, a member organization of the Treasure Island Homeless Development Initiative as Subtenant

Prepared by Marc McDonald, Facilities Manager

For Mirian Saez, Director of Island Operations

[Resolution Modifying Catholic Charities Utility Rates]

Authorizing the Second Amendment to the Sublease between the Treasure Island Development Authority and Catholic Charities, Archdiocese of San Francisco to Increase Utility Rates from $236.87 to $255.00 per unit per month.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, the Treasure Island Homeless Development Initiative ("TIHDI") and the San Francisco Redevelopment Agency negotiated a Base Closure Homeless Assistance

Agreement and Option to Sublease Real Property (the "TIHDI Agreement"), which was endorsed by the City's Board of Supervisors and approved by the United States Department of Housing and Urban Development; and,

WHEREAS, Under the TIHDI Agreement, TIHDI among other things is granted the right, upon the satisfaction of certain conditions precedent, to have one or more of its member organizations sublease certain housing units on the Base, as more particularly described in the TIHDI Agreement; and,

WHEREAS, In support of the Catholic Charities, Archdiocese of San Francisco programs that provide permanent housing and support services to homeless families with disabilities, on September 1, 1999, the Authority and the Catholic Charities, Archdiocese of San Francisco entered into a sublease ("Sublease") for thirty (30) units and related premises on Treasure Island; and,

WHEREAS, On March 8, 2000, the Sublease was amended by the First Amendment to Sublease to add an additional thirty six (36) residential units and related premises to the premises of the Sublease; and,

WHEREAS, Subtenant is a member organization of TIHDI; and,

WHEREAS, According to Exhibit E "Utility Fees", Paragraph 4. RATES, of the Sublease, residential utility rates for units managed by the Subtenant were established in 1999 at a flat rate of One Hundred and Eighty Dollars ($180) per unit per month and increased by four percent (4%) each year; and,

WHEREAS, In accord with the formula for residential utility rates established in 1999, the current residential utility rate is Two Hundred Thirty Six Dollars and eighty seven cents ($236.87) per unit per month; and,

WHEREAS, According to the staff of the San Francisco Public Utilities Commission ("SFPUC"), the cost of commodities and maintenance have escalated substantially, and the

revenues generated from rates charged to utilities consumers on the Base are insufficient to pay for the cost of commodities, operation and maintenance for such utilities systems; and,

WHEREAS, Project Staff and SFPUC staff have negotiated a residential utility rate adjustment limited to $255.00 per unit for units managed by the Subtenant; and,

WHEREAS, To reflect the increasing costs of commodities plus maintenance and operations, Project Staff recommends that rates continue to be adjusted by 4% per year and,

WHEREAS, The Authority wishes to modify the utilities rates as recommended by project staff to establish rates sufficient to allow SFPUC to recover reasonable costs for utilities services provided to residential units on the Base; and,

WHEREAS, The Subtenant has not provided adequate proof of insurance required by the terms and conditions of the Sublease; Now, Therefore Be It

RESOLVED, That the Authority hereby approves and authorizes the Director of Island Operations to enter into a Second Amendment to the Sublease in substantially the form attached as Exhibit A to establish a flat utility fee of $255 per rentable unit per month, which rate shall be increased on July 1 of each year by at least 4%, however, the Authority would be able to increase the utility fee consistent with a rate adjustment requested by the SFPUC; and, Be It,

FURTHER RESOLVED, That this Second Amendment to the Sublease shall become effective July 1, 2007; and Be It,

FURTHER RESOLVED, That this Board instructs the Director of Island Operations to take all necessary and reasonable action to assure that the Subtenant complies with all terms and conditions of the Sublease, including those provisions that require the Subtenant to obtain adequate insurance acceptable to the City's Risk Manager.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed special meeting on April 11, 2007.

_____

John Elberling,
Secretary

AVERY™ RECYCLED PAPER MADE FROM 20% POST CONSUMER CONTENT

EXHIBIT A

SECOND AMENDMENT TO SUBLEASE

THIS SECOND AMENDMENT TO SUBLEASE (the "Amendment"), dated as of _____, 2007, is by and between the Treasure Island Development Authority ("Sublandlord") and Catholic Charities, Archdiocese of San Francisco ("Subtenant").

This Amendment is made with reference to the following facts and circumstances:

A. On September 1, 1999, Sublandlord and Subtenant entered into a Sublease ("Sublease") pursuant to which Sublandlord agreed to sublease to Subtenant thirty (30) housing units and related premises located on former Naval Station Treasure Island in the City and County of San Francisco. Such 30 housing units and related premises are shown on Exhibit B-2 to the Sublease.

B. On March 8, 2000, Sublandlord and Subtenant entered into a First Amendment to the Sublease pursuant to which Sublandlord agreed to sublease to Subtenant an additional thirty six (36) housing units and related premises located on former Naval Station Treasure Island in the City and County of San Francisco. Such 36 housing units and related premises are shown in the Exhibit B to the First Amendment to the Sublease.

C. Paragraph 4 of Exhibit E of the Sublease describes Utilities Fees that shall be paid by the Subtenant.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, Sublandlord and Subtenant hereby agree to amend Paragraph 4 of Exhibit E of the Sublease in its entirety as follows effective July 1, 2007:

> **Rates.** Commencing on July 1, 2007, Subtenant shall pay a flat rate of Two Hundred Fifty Five Dollars ($255) per unit per month (the "Base Utility Fee") for the utility services described herein. The Base Utility Fee shall be increased by 4% each succeeding July 1, during the Term of the Sublease. Sublandlord may increase the Utility Rate annually consistent with rate adjustments requested by the San Francisco Public Utilities Commission.

Sublandlord and Subtenant have executed this Amendment in triplicate as of the date first written above.

SUBTENANT
CATHOLIC CHARITIES, ARCHDIOCESE OF SAN FRANCISCO.

By:_____

Its:_____

SUBLANDLORD
TREASURE ISLAND DEVELOPMENT AUTHORITY

By:_____
Mirian Seaz
Its Director of Island Operations

Approved as to Form:
DENNIS J. HERRERA, City Attorney

By:_____
Deputy City Attorney

AGENDA ITEM 8 (e)
Treasure Island Development Authority
City and County of San Francisco
Meeting of April 11, 2007_

Subject: Authorizing the First Amendment to the Sublease between the Treasure Island Development Authority and Haight Ashbury Free Clinics to Increase Utility Rates from $236.87 to $255.00 per unit per month. (*Action Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

Haight Ashbury Free Clinics, Inc. [HAFCI] provides free access to high-quality comprehensive health care to all in need. Core programs include medical clinics and substance abuse treatment services. A member of the Treasure Island Homeless Development Initiative ("TIHDI"), HAFCI has provided treatment to homeless and others in transition since 1999 on Treasure Island.

Between 1996 and 1999, the City and County of San Francisco and the Treasure Island Development Authority (the "Authority") entered into a series of agreements that provided the basis for the housing programs on Treasure Island. On November 26, 1996, the Department of Housing and Urban Development ("HUD") approved the City's Base Reuse Plan for Treasure Island, which among other things, provided member organizations of TIHDI options to lease up to 375 units of housing on Treasure Island and Yerba Buena Island. On September 1, 1999, the US Navy and the Authority entered into Navy Lease No. N6247499RP00B19, the Treasure Island Housing Lease, for the initial residential units that were provided to TIHDI. In furtherance of the agreements with HUD, on September 1, 1999, the Haight Ashbury Free Clinics, Inc., a 501(c) (3) non-profit corporation ("Subtenant"), entered into a Sublease ("Sublease") for eighteen (18) residential units and related premises.

Utilities Rate Increase

The San Francisco Public Utilities Commission ("SFPUC") provides all utilities and utilities services to Treasure Island.

Individual residential units are not metered on Treasure Island. Instead, according to Exhibit E **Utility Fees** of the Sublease, the Subtenant pays the SFPUC a flat rate for utilities services. A flat utility rate of One Hundred Eighty Dollars ($180) per unit, adjusted by 4% annually, was established for each of the residential housing units. As a result of the annual adjustments, the current utility rate is Two Hundred Thirty Six Dollars and eighty seven cents ($236.87) per unit per month.

In an effort to address current and projected fluctuations in the cost of utilities commodities and services, SFPUC staff asked the Authority to increase residential rates. Project Staff agreed that the SFPUC request for a rate increase was reasonable based on the need of SFPUC to recover its costs associated with managing and operating the Treasure Island utilities infrastructure. SFPUC staff and Project Staff negotiated an adjustment to Two Hundred and Fifty Five Dollars ($255.00) per unit per month, subject to an annual increase of at least 4% per year. However, if SFPUC costs increase greater than projected, then the Authority would be able to increase utility rates consistent with a rate adjustment requested by the SFPUC.

Project Staff proposes to increase the utility rates for the 18 units managed by the Subtenant from $236.87 per month to $255 per month effective July 1, 2007. An increase of the flat utility fee to $255 per month will increase SFPUC collections from approximately Four Thousand Two Hundred and Sixty Three Dollars ($4,263) per month to approximately Four Thousand Five Hundred and Ninety Dollars ($4,590) per month for the 18 units subleased to Subtenant.

STANDING AS SUBTENANT

Subtenant pays a monthly Common Area Maintenance ("CAM") charge of Eight Hundred Twenty Three Dollar and Fifty Cents ($823.50) that was established by the Navy in 1999. The Subtenant is current in its CAM payments to the Authority. The Subtenant has no obligation to establish a Security Deposit with the Authority. The Subtenant is not compliant with the requirements of the Sublease with respect to proof of insurance. The Sublease requires the Subtenant to provide proof of coverage of $2,000,000 in Personal Injury Insurance. The Subtenant has provided proof of $1,000,000 of coverage. The Sublease requires the Subtenant to provide proof of Worker's Compensation Insurance in the amount of $5,000,000. The Subtenant has provided no proof of Worker's Compensation insurance. The Sublease requires the Subtenant to provide Automobile Liability Coverage of $1,000,000. The Subtenant has provided proof of $1,000,000 Automobile Liability Insurance. The Sublease requires the Subtenant to provide proof of Property Insurance for Full Replacement Value. The Subtenant has provided no proof of Property Insurance. Finally, the Sublease requires the Subtenant to provide "all risk" Builder's Risk Insurance. The Subtenant provides none. The Subtenant has provided proper endorsements naming the Authority, the City of San Francisco and the US Navy as additional insureds to the policies of insurance. Project Staff is working with the Subtenant and the Risk Manager to correct the deficiencies.

RECOMMENDATION

Project Staff recommends Authority approval of the proposal to amend the Sublease between the Authority and Haight Ashbury Free Clinic to establish residential utility rates of $255 per unit per month beginning July 1, 2007, subject to Subtenant's compliance with the appropriate insurance requirements approved by the City's Risk Manager.

EXHIBIT

EXHIBIT A - First Amendment to Sublease between the Treasure Island Development Authority and Haight Ashbury Free Clinics, a member organization of the Treasure Island Homeless Development Initiative, as Subtenant

Prepared by Marc McDonald, Facilities Manager

For Mirian Saez, Director of Island Operations

[Resolution Modifying Haight Ashbury Free Clinics Utility Rates]

Authorizing the First Amendment to the Sublease between the Treasure Island Development Authority and Haight Ashbury Free Clinics to Increase Utility Rates from $236.87 to $255.00 per unit per month.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, the Treasure Island Homeless Development Initiative ("TIHDI") and the San Francisco Redevelopment Agency negotiated a Base Closure Homeless Assistance

Agreement and Option to Sublease Real Property (the "TIHDI Agreement"), which was endorsed by the City's Board of Supervisors and approved by the United States Department of Housing and Urban Development; and,

WHEREAS, Under the TIHDI Agreement, TIHDI among other things is granted the right, upon the satisfaction of certain conditions precedent, to have one or more of its member organizations sublease certain housing units on the Base, as more particularly described in the TIHDI Agreement; and,

WHEREAS, In support of the Haight Ashbury Free Clinics mission of providing free access to high-quality health care to all in need, on September 1, 1999, the Authority and Haight Asbury Free Clinics, a 501 (c) (3) non-profit corporation entered into a sublease ("Sublease") for eighteen (18) units and related premises on Treasure Island; and,

WHEREAS, Subtenant is a member organization of TIHDI; and,

WHEREAS, According to Exhibit E "Utility Fees", Paragraph 4. RATES, of the Sublease, residential utility rates for units managed by the Subtenant were established in 1999 at a flat rate of One Hundred and Eighty Dollars ($180) per unit per month and increased by four percent (4%) each year; and,

WHEREAS, In accord with the formula for residential utility rates established in 1999, the current residential utility rate is Two Hundred Thirty Six Dollars and eighty seven cents ($236.87) per unit per month; and,

WHEREAS, According to the staff of the San Francisco Public Utilities Commission ("SFPUC"),, the cost of commodities and maintenance have escalated substantially, and the revenues generated from rates charged to utilities consumers on the Base are insufficient to pay for the cost of commodities, operation and maintenance for such utilities systems; and,

WHEREAS, Project Staff and SFPUC staff have negotiated a residential utility rate adjustment limited to $255.00 per unit for units managed by the Subtenant; and,

WHEREAS, To reflect the increasing costs of commodities plus maintenance and operations, Project Staff recommends that rates continue to be adjusted by 4% per year and,

WHEREAS, The Authority wishes to modify the utilities rates as recommended by Project Staff to allow the SFPUC to recover reasonable costs for utilities services provided to residential units on the Base; and,

WHEREAS, The Subtenant has not provided adequate proof of insurance required by the terms and conditions of the Sublease; Now, Therefore Be It

RESOLVED, That the Authority hereby approves and authorizes the Director of Island Operations to enter into a First Amendment to the Sublease in substantially the form attached as Exhibit A to establish a flat utility fee of $255 per rentable unit per month, which rate shall be increased on July 1 of each year by at least 4%, however, the Authority would be able to increase the utility fee consistent with a rate adjustment requested by the SFPUC; and, Be It,

FURTHER RESOLVED, That this First Amendment to the Sublease shall become effective July 1, 2007; and Be It,

FURTHER RESOLVED, That this Authority instructs the Director of Island Operations to take all necessary and reasonable action to assure that the Subtenant complies with all terms and conditions of the Sublease, including those provisions that require the Subtenant to obtain adequate insurance acceptable to the City's Risk Manager.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed special meeting on April 11, 2007.

_____

John Elberling,
Secretary

AVERY™ RECYCLED PAPER MADE FROM 25% POST CONSUMER CONTENT

EXHIBIT A

FIRST AMENDMENT TO SUBLEASE

THIS FIRST AMENDMENT TO SUBLEASE (the "Amendment"), dated as of _____, 2007, is by and between the Treasure Island Development Authority ("Sublandlord") and Haight Ashbury Free Clinics, Inc., a 501(c)(3) non-profit corporation ("Subtenant").

This Amendment is made with reference to the following facts and circumstances:

A. On September 1, 1999, Sublandlord and Subtenant entered into a Sublease ("Sublease") pursuant to which Sublandlord agreed to sublease to Subtenant eighteen (18) housing units and related premises located on former Naval Station Treasure Island in the City and County of San Francisco. Such 18 housing units and related premises are shown on Exhibit B-2 to the Sublease.

B. Paragraph 4 of Exhibit E of the Sublease describes Utilities Fees that shall be paid by the Subtenant.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, Sublandlord and Subtenant hereby agree to amend Paragraph 4 of Exhibit E of the Sublease in its entirety as follows effective July 1, 2007:

> **Rates.** Commencing on July 1, 2007, Subtenant shall pay a flat rate of Two Hundred Fifty Five Dollars ($255) per unit per month (the "Base Utility Fee") for the utility services described herein. The Base Utility Fee shall be increased by 4% each succeeding July 1, during the Term of the Sublease. Sublandlord may increase the Utility Rate annually consistent with rate adjustments requested by the San Francisco Public Utilities Commission.

Sublandlord and Subtenant have executed this Amendment in triplicate as of the date first written above.

SUBTENANT
HAIGHT ASHBURY FREE CLINICS, INC., a 501(c)(3) non-profit corporation

By:_____

Its:_____

SUBLANDLORD
TREASURE ISLAND DEVELOPMENT

AUTHORITY

By:_____
Mirian Saez
Its Director of Island Operations

Approved as to Form:
DENNIS J. HERRERA, City Attorney

By:_____
Deputy City Attorney

AGENDA ITEM 8 (f)
Treasure Island Development Authority
City and County of San Francisco
Meeting of April 11, 2007

Subject: Authorizing the Second Amendment to the Sublease between the Treasure Island Development Authority and Walden House for the Use of an Additional 12 units of Housing on Treasure Island, to increase Common Area Maintenance Charges, and to Increase Utility Rates from $236.87 to $255.00 per unit per month. (*Action Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

Through the Walden House Female Offender Treatment and Employment Program (FOTEP), Walden House , a member organization of the Treasure Island Homeless Development Initiative ("TIHDI") serves women who are paroling from state prisons, have substance abuse and trauma issues and who may be interested in reunifying with their children. Women participate in parenting courses and vocational training programs that develop job readiness skills. Children with behavioral problems receive individual treatment and family therapy. Job placement services are provided. The goal of the program is to improve individual and family relationships and to help women to successfully re-integrate back into their communities.

Between 1996 and 1999, the City and County of San Francisco and the Treasure Island Development Authority (the "Authority") entered into a series of agreements that provided the basis for the housing programs on Treasure Island. On November 26, 1996, the Department of Housing and Urban Development ("HUD") approved the City's Base Reuse Plan for Treasure Island, which among other things, provided member organizations of TIHDI options to lease up to 375 units of housing on Treasure Island and Yerba Buena Island. On September 1, 1999, the US Navy and the Authority entered into Navy Lease No. N6247499RP00B19, the Treasure Island Housing Lease, for the initial residential units that were provided to TIHDI. In furtherance of the agreements with HUD, on September 1, 1999, the Authority and Walden House, a 501(c) (3) Corporation ("Subtenant") entered into a Sublease for fourteen (14) units and related premises. On June 15, 2001, the Authority and the Subtenant entered into the First Amendment to the Sublease to add six (6) housing units and related premises to the Subtenant's premises.

On March 1, 1999, the Authority entered into the Revenue Sharing and Consent Agreement between the Treasure Island Development Authority and the Treasure Island Homeless Development Initiative ("Sharing Agreement"). The Sharing Agreement allowed 112 units to be borrowed by the Authority, which in turn subleased the units to the market rate property management company, the John Stewart Company. The John Stewart Company then leased the

residential units at market rates in exchange for sharing a portion of the revenue proceeds with TIHDI.

On March 17, 1999, the Authority entered into an agreement with the John Stewart Company for the Sublease, Development, Marketing and Property Management of up to 766 Housing Units at Former Naval Station Treasure Island ("JSCO Agreement"). The JSCO Agreement provides for the John Stewart Company to lease 644 market rate residential units on Treasure Island and Yerba Buena Island, plus the additional 112 units allocated from TIHDI to the market rate property management company.

On August 21, 2000, the Sharing Agreement was amended to increase the number of units subleased to the John Stewart Company to 153 units.

On April 17, 2006, the Authority approved the Second Amendment to the Sublease, effective July 1, 2007, to add an additional twelve (12) units to the Subtenant's premises, for a total of thirty two (32) units, and to extend the term of the Sublease to June 30, 2022. Project Staff met with the US Navy to request a conforming amendment to the Treasure Island Housing Lease to extend the term of the Treasure Island Housing Lease to June 30, 2022. Citing the US Navy's plan to dispose of the property in the near future, the Navy declined to extend the term of the lease beyond its current expiration date of August 31, 2014. Consequently, the Second Amendment to the Sublease that the Authority approved at its April 17, 2006 meeting was never executed. Project Staff has prepared a new Second Amendment to the Sublease that adds the additional twelve (12) units to the Premises, adjusts the Common Area Maintenance (CAM) charges accordingly, and increases the utility charges as discussed below, but does not extend the term of the Sublease.

Utilities Rate Increase

The San Francisco Public Utilities Commission ("SFPUC") provides all utilities and utilities services to Treasure Island.

Individual residential units are not metered on Treasure Island. Instead, according to Exhibit E **Utility Fees** of the Sublease, the Subtenant pays the SFPUC a flat rate for utilities services. A flat utility rate of One Hundred Eighty Dollars ($180) per unit, adjusted by 4% annually, was established for each of the residential housing units. As a result of the annual adjustments, the current utility rate is Two Hundred Thirty Six Dollars and eighty-seven cents ($236.87) per unit per month.

In an effort to address current and projected fluctuations in the cost of utilities commodities and services, SFPUC staff asked the Authority to increase residential rates. Project Staff agreed that the SFPUC request for a rate increase was reasonable based on the need of SFPUC to recover its costs associated with managing and operating the Treasure Island utilities infrastructure. SFPUC staff and Project Staff negotiated an adjustment to Two Hundred and Fifty Five Dollars ($255.00) per unit per month, subject to an annual increase of at least 4% per year. However, if SFPUC costs increase greater than projected, then the Authority would be able to increase utility rates consistent with a rate adjustment requested by the SFPUC.

Project Staff proposes to increase the utility rates for the 32 units managed by the Subtenant from $236.87 per month to $255 per month effective July 1, 2007. An increase of the flat utility rate to $255 per month will increase SFPUC collections from approximately Seven Thousand Five Hundred and Eighty Dollars ($7,580) per month to approximately Eight Thousand One Hundred and Sixty Dollars ($8,160) per month for the 32 units subleased to the Subtenant.

STANDING AS SUBTENANT

Subtenant pays a monthly CAM charge of Six Hundred Sixty Two Dollars and eighty four cents ($662.84) that was established by the Navy in 1999 and will be increased to One Thousand Five Hundred Fifteen and 20/100 Dollars ($1,515.20) per month pursuant to the Second Amendment. The Subtenant is current in its CAM payments to the Authority. The Subtenant has no obligation to establish a Security Deposit with the Authority. The Subtenant is not compliant with the requirements of the Sublease with respect to proof of insurance. The Sublease requires the Subtenant to provide proof of coverage of $2,000,000 in Personal Injury Insurance. The Subtenant has provided proof of $1,000,000 of coverage. The Sublease requires the Subtenant to provide proof of Workers Compensation Insurance in the amount of $5,000,000. The Subtenant has provided proof of $1,000,000 of Workers Compensation insurance. The Sublease requires the Subtenant to provide "all risk" Builder's Risk Insurance. The Subtenant provides none. Property Insurance providing Full Replacement Value is required. The Subtenant has not provided proof of Property Insurance. The Subtenant has not provided proper endorsements naming the Authority, the City of San Francisco and the US Navy as additional insureds to the policies of insurance. Project Staff is working with the Subtenant and the Risk Manager to correct the deficiencies.

RECOMMENDATION

Project Staff recommends Authority approval of the proposal to amend the Sublease between the Authority and Walden House to add an additional 12 units to the premises, to increase the CAM charges accordingly, and to establish residential utility rates of $255 per unit per month commencing beginning July 1, 2007, subject to Subtenant's compliance with the appropriate insurance requirements approved by the City's Risk Manager.

EXHIBIT

EXHIBIT A - Second Amendment to Sublease between the Treasure Island Development Authority and Walden House, a member organization of the Treasure Island Homeless Development Initiative as Subtenant

Prepared by Marc McDonald, Facilities Manager

For Mirian Saez, Director of Island Operations

[Resolution to Increase Walden House Premises and to Modify Utility Rates]

Authorizing the Second Amendment to the Sublease between the Treasure Island Development Authority and Walden House for the Use of an Additional 12 units of Housing on Treasure Island, to increase Common Area Maintenance Charges, and to Increase Utility Rates from $236.87 to $255.00 per unit per month.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, the Treasure Island Homeless Development Initiative ("TIHDI") and the San Francisco Redevelopment Agency negotiated a Base Closure Homeless Assistance Agreement and Option to Sublease Real Property (the "TIHDI Agreement"), which was endorsed by the City's Board of Supervisors and approved by the United States Department of Housing and Urban Development; and,

WHEREAS, Under the TIHDI Agreement, TIHDI among other things is granted the right, upon the satisfaction of certain conditions precedent, to have one or more of its member organizations sublease certain housing units on the Base, as more particularly described in the TIHDI Agreement; and,

WHEREAS, To facilitate the intent of the TIHDI Agreement, on September 1, 1999, the US Navy and the Authority entered into Navy Lease No. N6247499RP00B19, the Treasure Island Housing Lease, for the initial residential units that were provided to TIHDI pursuant to the TIHDI Agreement; and,

WHEREAS, To provide family reunification housing for women in transition, on September 1, 1999, the Authority and Walden House, a 501(c) (3) Corporation ("Subtenant") entered into a Sublease ("Sublease") for fourteen (14) units and related premises; and,

WHEREAS, Subtenant is a member organization of TIHDI; and,

WHEREAS, on June 1, 2001, the Authority and Subtenant entered into the First Amendment to the Sublease to add an additional six (6) housing units and related premises (the "First Amendment"); and,

WHEREAS, On April 17, 2006, the Authority approved the Second Amendment to the Sublease, effective July 1, 2007, to add an additional twelve (12) units and related premises to the premises of the Sublease, and to extend the term of the Sublease to June 30, 2022; and,

WHEREAS, Project Staff has met with the US Navy to request a conforming amendment to the Treasure Island Housing Lease to extend the term of the Lease to June 30, 2022, and the Navy has declined to extend the term of the lease beyond its current expiration date of August 31, 2014; and,

WHEREAS, The Second Amendment to Sublease that the Authority approved was never executed; and,

WHEREAS, Project Staff has prepared a new Second Amendment to Sublease that adds the additional 12 housing units and related premises to the premises of the Sublease, adjusts the Common Area Maintenance charge accordingly, and increases utility fees, but does not extend the term of the Sublease beyond the current expiration date; and,

WHEREAS, According to Exhibit E "Utility Fees", Paragraph 4. RATES, of the Sublease, residential utility rates for units managed by the Subtenant were established in 1999 at a flat rate of $180 per unit per month and increased by four percent (4%) each year; and,

WHEREAS, In accord with the formula for residential utility rates established in 1999, the current residential utility rate is Two Hundred Thirty Six Dollars and eighty seven cents ($236.87) per unit per month; and,

WHEREAS, According to the staff of the San Francisco Public Utilities Commission ("SFPUC"), the cost of commodities and maintenance have escalated substantially, and the revenues generated from rates charged to utilities consumers on the Base are insufficient to pay for the cost of commodities, operation and maintenance for such utilities systems; and,

WHEREAS, Project Staff and SFPUC staff have negotiated a residential utility rate adjustment limited to $255.00 per unit for units managed by the Subtenant; and,

WHEREAS, To reflect the increasing costs of commodities plus maintenance and operations, Project Staff recommends that rates continue to be adjusted by 4% per year: and,

WHEREAS, The Authority wishes to modify the utilities rates as recommended by Project Staff to allow the SFPUC to recover reasonable costs for utilities services provided to residential units on the Base; and,

WHEREAS, The Subtenant has not provided adequate proof of insurance required by the terms and conditions of the Sublease; Now, Therefore Be It

RESOLVED, That the Authority hereby approves the form of and authorizes the Director of Island Operations to enter into a Second Amendment to the Sublease in substantially the form attached as Exhibit A to add an additional twelve (12) housing units and related premises to the premises of the Sublease and to adjust the Common Area Maintenance charge accordingly, and to establish a flat utility fee of $255 per rentable unit per month which rate shall be increased on July 1 of each year by at least 4%, however, the Authority would be able to increase the utility fee consistent with a rate adjustment requested by the SFPUC; and, Be It,

FURTHER RESOLVED, That the Second Amendment to the Sublease shall become effective July 1, 2007; and be it,

FURTHER RESOLVED, That this Authority instructs the Director of Island Operations to take all necessary and reasonable action to assure that the Subtenant complies with all terms and conditions of the Sublease, including those provisions that require the Subtenant to obtain adequate insurance acceptable to the City's Risk Manager.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed special meeting on April 11, 2007.

_____

John Elberling,
Secretary

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EXHIBIT A

SECOND AMENDMENT TO SUBLEASE

THIS SECOND AMENDMENT TO SUBLEASE (the "Amendment"), dated as of _____, 2007, is by and between the Treasure Island Development Authority ("Sublandlord") and Walden House, a 501(c) (3) Corporation ("Subtenant").

This Amendment is made with reference to the following facts and circumstances:

A. On September 1, 1999, Sublandlord and Subtenant entered into a Sublease ("Original Sublease") pursuant to which Sublandlord agreed to sublease to Subtenant fourteen (14) housing units and related premises located on former Naval Station Treasure Island in the City and County of San Francisco. Such 14 housing units and related premises are shown on Exhibit B-2 to the Original Sublease.

B. On June 15, 2001, Sublandlord and Subtenant entered into the First Amendment to the Sublease ("First Amendment") pursuant to which Sublandlord agreed to sublease to Subtenant six (6) additional housing units and related premises located on former Naval Station Treasure Island in the City and County of San Francisco. The Original Sublease and the First Amendment are collectively referred to in this Amendment as the "Sublease."

C. Sublandlord and Subtenant wish to amend the Premises by adding an additional twelve (12) housing units to the Premises, thereby increasing the number of units subleased to the Subtenant to a total of thirty-two (32) units.

D. Sublandlord and Subtenant wish to amend Paragraph 4.4 of the Sublease to adjust Common Area Maintenance Charges consistent with the increase in the number of units subleased to the Subtenant.

E. Sublandlord and Subtenant wish to amend Paragraph 4 of Exhibit E of the Sublease to increase Utilities Fees that shall be paid by the Subtenant.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, Sublandlord and Subtenant hereby agree to amend the Sublease as follows effective July 1, 2007:

1. Exhibit C. **Premises Description** is hereby amended by adding 1318 Avenue B and 1225 Northpoint Drive, containing a total of 12 housing units, to the Premises.

2. Paragraph 4.4 **Cam Charges** is amended to increase CAM Charges to $1,515.20 per month.

3. Exhibit E, Paragraph 4. **Rates is amended to read in its entirety as follows:**

   Rates. Commencing on July 1, 2007, Subtenant shall pay a flat rate of Two Hundred Fifty-Five Dollars ($255) per unit per month (the "Base Utility Fee") for the utility services described herein. The Base Utility Fee shall be increased by 4% each succeeding July 1, during the Term of the Sublease. Sublandlord may increase the Utility Rate annually consistent with rate adjustments requested by the San Francisco Public Utilities Commission.

Sublandlord and Subtenant have executed this Amendment in triplicate as of the date first written above.

SUBTENANT
WALDEN HOUSE, a 501(c) (3) corporation

By:_____

Its:_____

SUBLANDLORD
TREASURE ISLAND DEVELOPMENT AUTHORITY

By:_____
Mirian Saez
Its Director of Island Operations

Approved as to Form:
DENNIS J. HERRERA, City Attorney

By:_____
Deputy City Attorney

AGENDA ITEM 8 (g)
Treasure Island Development Authority
City and County of San Francisco
Meeting of April 11, 2007

Subject: Authorizing the Second Amendment to the Sublease between the Treasure Island Development Authority and Community Housing Partnership for the Use of an Additional 42 units of Housing on Treasure Island, to increase Common Area Maintenance Charges and to Increase Utility Rates from $236.87 to $255.00 per unit per month. (*Action Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

Community Housing Partnership, a member organization of the Treasure Island Homeless Development Initiative ("TIHDI") provides housing for homeless persons as well as on-site support services including counseling, vocational education and employment development.

Between 1996 and 1999, the City and County of San Francisco and the Treasure Island Development Authority (the "Authority") entered into a series of agreements that provided the basis for the housing programs on Treasure Island. On November 26, 1996, the Department of Housing and Urban Development ("HUD") approved the City's Base Reuse Plan for Treasure Island, which among other things, provided member organizations of the Treasure Island Homeless Development Initiative ("TIHDI") options to lease up to 375 units of housing on Treasure Island and Yerba Buena Island. On September 1, 1999, the US Navy and the Authority entered into Navy Lease No. N6247499RP00B19, the Treasure Island Housing Lease, for the initial residential units that were provided to TIHDI. In furtherance of the agreements with HUD, on February 27, 2001, the Authority and Community Housing Partnership, a 501(c) (3) California non-profit Corporation ("Subtenant") entered into a Sublease ("Sublease") for eighteen (18) units and related premises. On June 11, 2001, the Authority and Subtenant entered into the First Amendment to the Sublease to add six (6) additional housing units and related premises to the Subtenant's premises.

On March 1, 1999, the Authority entered into the Revenue Sharing and Consent Agreement between the Treasure Island Development Authority and the Treasure Island Homeless Development Initiative ("Sharing Agreement"). The Sharing Agreement allowed 112 units to be borrowed by the Authority which in turn subleased the units to the market rate property management company, the John Stewart Company. The John Stewart Company then leased the residential units at market rates in exchange for sharing a portion of the revenue proceeds with TIHDI.

On March 17, 1999, the Authority entered into an agreement with the John Stewart Company for the Sublease, Development, Marketing and Property Management of up to 766 Housing Units at

Former Naval Station Treasure Island ("JSCO Agreement"). The JSCO Agreement provides for the John Stewart Company to lease 644 market rate residential units on Treasure Island and Yerba Buena Island, plus the additional 112 units allocated from TIHDI to the market rate property management company.

On August 21, 2000, the Sharing Agreement was amended to increase the number of units subleased to the John Stewart Company to 153 units.

On April 17, 2006, the Authority approved the Second Amendment to the Sublease, effective July 1, 2007, to add an additional forty two (42) units to the Subtenant's premises, for a total of sixty six (66) units, and to extend the term of the Sublease to June 30, 2022. Project Staff met with the US Navy to request a conforming amendment to the Treasure Island Housing Lease to extend the term of the Treasure Island Housing Lease to June 30, 2022. Citing the US Navy's plan to dispose of the property in the near future, the Navy declined to extend the term of the lease beyond its current expiration date of August 31, 2014. Consequently, the Second Amendment to the Sublease that the Authority approved at its April 17, 2006 meeting was never executed. Project Staff has prepared a new Second Amendment to the Sublease that adds the additional forty-two (42) units to the Premises, adjusts the Common Area Maintenance (CAM) charges accordingly, and increases the utility charges as discussed below, but does not extend the term of the Sublease.

Utilities Rate Increase

The San Francisco Public Utilities Commission ("SFPUC") provides all utilities and utilities services to Treasure Island.

Individual residential units are not metered on Treasure Island. Instead, according to Exhibit E **Utility Fees** of the Sublease, the Subtenant pays the SFPUC a flat rate for utilities services. A flat utility rate of One Hundred Eighty Dollars ($180) per unit, adjusted by 4% annually, was established for each of the residential housing units. As a result of the annual adjustments, the current utility rate is Two Hundred Thirty Six Dollars and eighty seven cents ($236.87) per unit per month.

In an effort to address current and projected fluctuations in the cost of utilities commodities and services, SFPUC staff asked the Authority to increase residential rates. Project Staff agreed that the SFPUC request for a rate increase was reasonable based on the need of SFPUC to recover its costs associated with managing and operating the Treasure Island utilities infrastructure. SFPUC staff and Project Staff negotiated an adjustment to Two Hundred and Fifty Five Dollars ($255.00) per unit per month, subject to an annual increase of at least 4% per year. However, if SFPUC costs increase greater than projected, then the Authority would be able to increase utility rates consistent with a rate adjustment requested by the SFPUC.

Project Staff proposes to increase the utility rates for the 66 units managed by the Subtenant from $236.87 per month to $255 per month effective July 1, 2007. An increase of the flat utility rate to $255 per month will increase SFPUC collections from approximately Fifteen Thousand Six

Hundred and Thirty Three Dollars ($15,633) per month to approximately Sixteen Thousand Eight Hundred Thirty Dollars ($16,830) per month for the 66 units subleased to the Subtenant.

STANDING AS SUBTENANT

Subtenant pays a monthly CAM charge of One Thousand Ninety Four Dollars and Fifty Six cents ($1,094.56) based on Common Area Maintenance Fees established by the Navy in 2001 and will be increased to Three Thousand Two Hundred Four and 67/100 Dollars ($3,204.67) per month pursuant to the Second Amendment. The Subtenant is current in its CAM payments to the Authority. The Subtenant has no obligation to establish a Security Deposit with the Authority. The Subtenant is not compliant with the requirements of the Sublease with respect to proof of insurance. The Sublease requires the Subtenant to provide proof of coverage of $2,000,000 in Personal Injury Insurance. The Subtenant has provided proof of $1,000,000 of coverage with a $4,000,000 Umbrella coverage. The Sublease requires the Subtenant to provide proof of Worker's Compensation Insurance in the amount of $1,000,000. The Subtenant has provided proof of $1,000,000 of Workers Compensation insurance. The Sublease requires the Subtenant to provide Automobile Liability coverage of $1,000,000. The Subtenant has provided proof of adequate Automobile Liability Insurance. The Sublease requires the Subtenant to provide "all risk" Builder's Risk Insurance. The Subtenant provides none. Property Insurance providing Full Replacement Value is required. The Subtenant has not provided evidence of Property Insurance. The Subtenant has provided proper endorsements naming the Authority, the City of San Francisco and the US Navy as additional insureds to the policies of insurance. Project Staff is working with the Subtenant and the Risk Manager to correct the deficiencies.

RECOMMENDATION

Project Staff recommends Authority approval of the proposal to amend the Sublease between the Authority and Community Housing Partnership to add an additional 42 units to the premises, to increase the CAM charges accordingly, and to establish residential utility rates of $255 per unit per month commencing beginning July 1, 2007, subject to Subtenant's compliance with insurance requirements approved by the City's Risk Manager.

EXHIBIT

EXHIBIT A Second Amendment to Sublease between the Treasure Island Development Authority as Sublandlord and Community Housing Partnership, a member organization of the Treasure Island Homeless Development Initiative as Subtenant

Prepared by Marc McDonald, Facilities Manager

For Mirian Saez, Director of Island Operations

[Resolution to Increase Community Housing Partnership Premises and to Modify Utility Rates]

Authorizing the Second Amendment to the Sublease between the Treasure Island Development Authority and Community Housing Partnership for the Use of an Additional 42 units of Housing on Treasure Island, to increase Common Area Maintenance Fees, and to Increase Utility Rates from $236.87 to $255.00 per unit per month.

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, the Treasure Island Homeless Development Initiative ("TIHDI") and

the San Francisco Redevelopment Agency negotiated a Base Closure Homeless Assistance Agreement and Option to Sublease Real Property (the "TIHDI Agreement"), which was endorsed by the City's Board of Supervisors and approved by the United States Department of Housing and Urban Development; and,

WHEREAS, Under the TIHDI Agreement, TIHDI among other things is granted the right, upon the satisfaction of certain conditions precedent, to have one or more of its member organizations sublease certain housing units on the Base, as more particularly described in the TIHDI Agreement; and,

WHEREAS, To facilitate the intent of the TIHDI Agreement, on September 1, 1999, the US Navy and the Authority entered into Navy Lease No. N6247499RP00B19, the Treasure Island Housing Lease, for the initial residential units that were provided to TIHDI pursuant to the TIHDI Agreement; and,

WHEREAS, To provide housing for homeless persons as well as on-site support services including counseling, vocational education and employment development, on February 27, 2001, the Authority and Community Housing Partnership, a 501(c) (3) California non-profit corporation ("Subtenant"), entered into a Sublease ("Sublease") for eighteen (18) units and related premises; and,

WHEREAS, Subtenant is a member organization of TIHDI; and,

WHEREAS, on June 11, 2001, the Authority and Subtenant entered into the First Amendment to the Sublease to add an additional six (6) housing units and related premises (the "First Amendment"); and,

WHEREAS, On April 17, 2006, the Authority approved the Second Amendment to the Sublease, effective July 1, 2007, to add an additional forty two (42) housing units and related premises to the premises of the Sublease, and to extend the term of the Sublease to June 30, 2022; and,

WHEREAS, Project Staff has met with the US Navy to request a conforming amendment to the Treasure Island Housing Lease to extend the term of the Lease to June 30, 2022 and the Navy has declined to extend the term of the lease beyond its current expiration date of August 31, 2014; and,

WHEREAS, The Second Amendment to Sublease that the Authority approved was never executed; and,

WHEREAS, Project Staff has prepared a new Second Amendment to Sublease that adds the additional 42 Housing Units and related premises to the premises of the Sublease, adjusts the Common Area Maintenance charge accordingly, and increases utility fees, but does not extend the term of the Sublease beyond the current expiration date; and,

WHEREAS, According to Exhibit E "Utility Fees", Paragraph 4. RATES, of the Sublease residential utility rates for units managed by the Subtenant were established in 2001 at a flat rate of $180 per unit per month and increased by four percent (4%) each year; and,

WHEREAS, In accord with the formula for residential utility rates established in 2001, the current residential utility rate is Two Hundred Thirty Six Dollars and eighty seven cents ($236.87) per unit per month; and,

WHEREAS, According to the staff of the San Francisco Public Utilities Commission ("SFPUC"), the cost of commodities and maintenance have escalated substantially, and the revenues generated from rates charged to residential utilities consumers on the Base are insufficient to pay for the cost of commodities, operation and maintenance for such utilities systems; and,

WHEREAS, Project Staff and SFPUC staff have negotiated a residential utility rate adjustment limited to $255.00 per unit for units managed by the Subtenant; and,

WHEREAS, To reflect the increasing costs of commodities plus maintenance and operations, Project Staff recommends that rates continue to be adjusted by 4% per year and,

WHEREAS, The Authority wishes to modify the utilities rates as recommended by Project Staff to allow SFPUC to recover reasonable costs for utilities services provided to residential units on the Base; and,

WHEREAS, The Subtenant has not provided adequate proof of insurance required by the terms and conditions of the Sublease; Now, Therefore Be It

RESOLVED, That the Authority hereby approves the form of and authorizes the Director of Island Operations to enter into a Second Amendment to the Sublease in substantially the form attached as Exhibit A to add an additional forty two (42) housing units and related premises to the premises of the Sublease and to adjust the Common Area Maintenance charge accordingly, and to establish a flat utility fee of $255 per rentable unit per month, which rate shall be increased on July 1 of each year by at least 4%, however, the Authority would be able to increase the utility fee consistent with a rate adjustment requested by the SFPUC; and, Be It,

FURTHER RESOLVED, That this Second Amendment to the sublease shall become effective July 1, 2007; and Be It,

FURTHER RESOLVED, That this Authority instructs the Director of Island Operations to take all necessary and reasonable action to assure that the Subtenant complies with all terms and conditions of the Sublease, including those provisions that require the Subtenant to obtain adequate insurance acceptable to the City's Risk Manager.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed special meeting on April 11, 2007.

_____

John Elberling,
Secretary

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EXHIBIT A

SECOND AMENDMENT TO SUBLEASE

THIS SECOND AMENDMENT TO SUBLEASE (the "Amendment"), dated as of _____, 2007, is by and between the Treasure Island Development Authority ("Sublandlord") and Community Housing Partnership, a 501(c) (3) California non-profit Corporation ("Subtenant").

This Amendment is made with reference to the following facts and circumstances:

A. On February 27, 2001, Sublandlord and Subtenant entered into a Sublease ("Original Sublease") pursuant to which Sublandlord agreed to sublease to Subtenant 18 housing units and related premises located on former Naval Station Treasure Island in the City and County of San Francisco. Such 18 housing units and related premises are shown on Exhibit B-2 to the Original Sublease.

B. On June 11, 2001, the Authority and Subtenant entered into the First Amendment to the Sublease ("First Amendment") pursuant to which Sublandlord agreed to sublease to Subtenant six (6) additional housing units and related premises located on former Naval Station Treasure Island in the City and County of San Francisco.

C. Sublandlord and Subtenant wish to amend the Premises by adding an additional 42 units to the Premises, thereby increasing the number of units subleased to the Subtenant to a total of 66 units.

D. Sublandlord and Subtenant wish to amend Paragraph 4.4 of the Sublease to adjust Common Area Maintenance Charges consistent with the increase in the number of units subleased to the Subtenant.

E. Sublandlord and Subtenant wish to amend Paragraph 4 of Exhibit E of the Sublease to increase Utilities Fees that shall be paid by the Subtenant.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, Sublandlord and Subtenant hereby agree to amend the Sublease as follows effective July 1, 2007:

1. Exhibit C. **Premises Description** is hereby amended by adding 1116 Hutchins, 1126 Reeves Court, 1216 Gateview, 1243 Northpoint Drive, 1223 Mariner Drive and 1226 Bayside Drive to the Premises.

2. Paragraph 4.4 **Cam Charges** is amended to increase CAM Charges to $3,204.67 per month.

3. Exhibit E, Paragraph 4. **Rates** is amended in its entirety to read as follows:

   Rates. Commencing on July 1, 2007, Subtenant shall pay a flat rate of Two Hundred Fifty Five Dollars ($255) per unit per month (the "Base Utility Fee") for the utility services described herein. The Base Utility Fee shall be increased by 4% each succeeding July 1, during the Term of the Sublease. Sublandlord may increase the Utility Rate annually consistent with rate adjustments requested by the San Francisco Public Utilities Commission.

Sublandlord and Subtenant have executed this Amendment in triplicate as of the date first written above.

SUBTENANT
COMMUNITY HOUSING PARTNERSHIP, a 501(c) (3) California non-profit corporation

By:_____

Its:_____

SUBLANDLORD
TREASURE ISLAND DEVELOPMENT AUTHORITY

By:_____
Mirian Saez
Its Director of Island Operations

Approved as to Form:

_____
Deputy City Attorney

AGENDA ITEM 8 (h)
Treasure Island Development Authority
City and County of San Francisco
Meeting of April 11, 2007

Subject: Resolution Authorizing the Addition of Quarters 240 to the Land and Structures Master Lease with the United States Navy for Property on Treasure Island (Consent Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

On November 19, 1999, the Authority entered into a lease agreement with the United States Navy for Navy Lease Agreement N6247499RP42P12 (the "Land and Structures Master Lease"). The lease premises consist of land and structures throughout Treasure Island, including the Little League Baseball field and the Rubicon Corporation Yard. This amendment to the Land and Structures Master Lease would add Quarters 240 to the premises of the Lease for a variety of uses, including support offices, studios and potentially temporary housing.

Quarters 240 is a former apartment complex located at 240 Macalla Road on Yerba Buena Island. The complex contains 12 units raging in size from 1,300 square feet to 1,750 square feet. Following Base closure, the units underwent a remediation program to prevent potential exposure of building occupants to hazardous materials. The remediation program has been completed. The buildings are now suitable for occupancy.

The buildings and individual units are in need of refurbishment to make them suitable for use. The John Stewart Company completed an analysis of the potential cost to return this complex to residential use. Current estimates range from approximately $265,000 ($22,000 per unit) to over $330,000 ($27,000 per unit). Net annual rental income is projected to be $153,000 ($12,750 per unit), indicating a return of investment will require at least two years of occupancy as a revenue generating building. Quarters 240 is within the area that is scheduled to be redeveloped in Phase One of the Development Plan.

In support of requests from the Treasure Island residents and the arts communities for support office, cultural facilities, and studio space on the islands, Project Staff has asked the Navy for the use of this facility. Users would be responsible for making improvements and paying all costs of occupancy.

The Navy has agreed to Project Staff's request to add these premises to the Land and Structures Master Lease. Addition of these premises will provide Project Staff the opportunity to provide small spaces to support activities ranging from arts-oriented studios and facilities through activities for the Treasure Island community.

RECOMMENDATION

Approve Project Staff recommendation to authorize the Director of Island Operations to execute the Twenty Second Amendment to Navy Lease Agreement N6247499RP42P12 to add Quarters 240 to the Land and Structures Master Lease with the US Navy.

EXHIBITS

A – Form of Twenty Second Amendment to Navy Lease Agreement N6247499RP42P12
B - Drawing showing land and buildings to be added to Premises

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations

[Amendment to Land and Structures Master Lease]

Resolution Authorizing the Twenty Second Amendment to the Land and Structures Master Lease between the Authority and the Navy to Add Quarters 240 to the Lease Premises.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated November 19, 1998, for the Authority to use and rent out certain land and structures in certain areas of Treasure Island (the "Land and Structures Master Lease") at no rent; and,

WHEREAS, The Land and Structures Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The addition of the structure and surrounding lands known as Quarters 240 to the lease premises under control of the Authority in accord with the terms and

conditions described in the Twenty Second Amendment to the Land and Structures Master Lease would be of benefit to the Project; and

WHEREAS, The Navy concurs with such addition of land and structures to the premises; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into the Twenty Second Amendment To Lease Agreement N6247499RP42P12 Between the United States of America and the Treasure Island Development Authority in substantially the form attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 11, 2007.

_____

John Elberling,
Secretary

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TWENTY SECOND AMENDMENT
TO LEASE AGREEMENT N6247499RP42P12
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2007, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 19 November 1999, entered into Lease Agreement N6247499RP42P12 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247499RP42P12 are hereby amended to reflect the following changes;

1. Paragraph 1 **LEASED PREMISES** add the following:

"Use of Quarters 240 for non-residential use only"

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Agenda Item 9
Treasure Island Development Authority
City and County of San Francisco
Meeting of April 11, 2007

Subject: **Informational Presentation of Fiscal Year 2007-08 Budget (Discussion Item)**

Contact: Mirian Saez
Director of Island Operations
415-274-0660

BACKGROUND

This informational presentation is for consideration to approve the budget of the Treasure Island Development Authority ("TIDA") for Fiscal Year 2007-08 ("FY2007-08"), and authorize the Director of Island Operations to submit the proposed budget to the Mayor of the City and County of San Francisco for further review and inclusion in the City's FY2007-08 Budget.

TIDA was established as a California nonprofit public benefit corporation and designated certain powers under state and local legislation for the purpose of promoting the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the former Naval Station Treasure Island (the "Base"). Specifically, the Treasure Island Conversion Act of 1997 (the "Act"), passed by the California legislature in 1997, granted to TIDA the State's authority to administer the Tidelands Trust on Treasure Island/Yerba Buena Island and enabled TIDA to be designated as a redevelopment agency under the California Community Redevelopment Law. The Board of Supervisors of the City and County of San Francisco ("City") established TIDA to manage the conversion of the former Base, which includes portions of Yerba Buena Island, from military use to civilian reuse.

The specific mission of TIDA is to redevelop the former Base and manage its integration with the City in compliance with federal, state and city guidelines, including the California Tidelands Trust; create new housing and job opportunities for San Francisco residents, including assuring job opportunities for homeless and economically disadvantaged City residents; increase recreational and Bay access venues for San Francisco and Bay Area residents; and promote the welfare and well being of the citizens of San Francisco.

To achieve these goals, TIDA provides services that can be grouped into two broad categories described in more detail below:

1. Property management and municipal services.
2. The transfer of federal property to local jurisdiction and planning of redevelopment activities.

1. ***Property Management/Municipal Services***. Under the provisions of a Cooperative Agreement between TIDA and the United States of America, acting by and through the Department of the Navy ("Navy"), TIDA serves as the property manager for the Base. TIDA is responsible for over all operations including building maintenance, utility operations and maintenance, landscaping, road repair and management of personal property. In addition, the Cooperative Agreement made TIDA and the City responsible for the provision of municipal services to Treasure Island and Yerba Buena Island, including public safety services, such as police and fire.

   To offset the costs associated with property management and public service responsibilities, TIDA established two principal sources of revenue: (i) revenue generated from interim leasing of existing facilities; and (ii) revenue generated from special events on the Base. These functions are provided by Treasure Island Project Staff on the island. Currently, all Project Staff is classified as temporary employees of the City of San Francisco through the General Services Agency. Staff is housed on Treasure Island and provides a spectrum of services to the Island community by an MOU with the GSA and work-orders from other City departments including: the General Services Agency, the City Attorney Office, the Department of Public Works (DPW), SF Police, SF Fire, and SF Public Utilities Commission.

2. ***Transfer of Federal Property/Planning for Redevelopment Activities***. As the designated Local Reuse Authority ("LRA"), TIDA, working through the Mayor's Office of Base Reuse and Development, is negotiating with the Navy to acquire all real property at the Base that has not been transferred to other federal agencies or the State of California. On Treasure Island proper (the flat portion of the Base composed of Bay fill) approximately 365 acres and on Yerba Buena Island approximately 115 acres will be transferred to TIDA in the coming two to three years.

   In an effort to bring closure to the transfer process, TIDA formally requested that the Navy commence negotiating an "Early Transfer" of the Base to TIDA, pursuant to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). Under CERCLA, the Navy has an obligation to complete all environmental remediation activities at the Base before a change in ownership can occur. However, under the Defense Environmental Program, the Navy is authorized to enter into an agreement with local agencies, such as TIDA, to carry out aspects of the Navy's remedial obligations with funds provided by the Navy after an Early Transfer. The terms for transferring the Navy's remedial obligations to TIDA, including the amount of funds to be made available for investigation and remediation of contamination at the base, will be set forth in an Environmental Services Cooperative Agreement ("ECSA") to be negotiated between the Navy and TIDA. The Navy and TIDA are in negotiations for an Early Transfer pursuant to an ESCA.

   At the same time TIDA is negotiating with the Navy on the ESCA, TIDA also will need to negotiate a Consent Agreement with the California Environmental Protection Agency's Department of Toxic Substances Control ("DTSC," the state lead regulatory agency) to assure that DTSC concurs with the investigation and remediation proposal that forms the basis of the ESCA. Additional negotiations with the California Regional Water Quality Control Board – San Francisco Bay Region and/or the United States Environmental Protection Agency likely will be required to assure their concurrence with certain aspects of the planned investigations and remediation proposals.

   Simultaneously, TIDA is negotiating for the transfer of property based on its submittal of a revised Economic Development Conveyance application in 2004. The Mayor's Office of Base

Reuse and Development is continuing to update the application based on the current redevelopment plans for the island.

TIDA is also engaged in an extensive public process involving establishing a redevelopment plan for reuse of the islands. Working through the Mayor's Office of Base Reuse and Development, TIDA is negotiating with the prospective master developer, Treasure Island Community Development, LLC (TICD), who was selected through a competitive process on the plans, program and business terms of the redevelopment project. In December of 2006, the TIDA Board and the Board of Supervisors endorsed a Comprehensive Development Plan and Term Sheet for Treasure Island, including land use, infrastructure, affordable housing, sustainability, open space, and financing plans. Ultimately, these plans will be memorialized in a Disposition and Development Agreement that is supported by a Redevelopment Plan, General Plan amendments, environmental review consistent with the California Environmental Quality Act, and a Tidelands Trust Exchange with the State Lands Commission, among other legal requirements.

TIDA is also negotiating the plans and business terms for an expanded marina in Clipper Cove with Treasure Island Enterprises which was selected via a competitive RFP process.

TIDA has designated the Mayor's Office of Base Reuse and Development as the lead negotiator and project management entity facilitating the redevelopment of former Naval Station Treasure Island on behalf of TIDA. The Office of Base Reuse works collaboratively with the Treasure Island Project Office to ensure effective coordination of interim reuse of the islands.

In the Fiscal year 2007-08, the projected annual revenue is $9,584,060 of which $2,600,525 is from Developer Reimbursement. This results in a net operating budget of $6,983,535. The total Project Staff Office Expense (staff salaries, MOU agreement) is: $1,061,186. Our administrative expenses and contractual obligations including our Community Benefits Fund expenses are: $2,323,000. We intend to make capital improvements to our buildings in the amount of $489,000.

The remaining expenses are work-orders related to City Departments for services including DPW, City Attorney, Fire Department, Police Department and SF PUC. If work-orders are expended at approximately the same level as fiscal year 2006-07, expenses would exceed income by approximately $2.4 million. TIDA does not have any project reserves. Furthermore, the outstanding liability with the SFPUC, estimated at $2.1 million, is not reflected in these expenses.

The Director of Island Operation continues to meet with the Mayor's Office of Budget and the General Services Agency to resolve the income to expense gap. Additionally, Project Staff continues to review the revenue enhancements opportunities available through our rental housing commercial leasing and special event venues.

The FY 07-08 budget information is outlined in the following categories and exhibits:

Exhibit A-Notable Budget Considerations

Exhibit B- TIDA Revenue Spreadsheet

Exhibit C –TIDA Revenue Details

Exhibit D -Expense Spreadsheet Operations

Exhibit E-Expense Details Operations

Exhibit F- Expense Spreadsheet Redevelopment Planning Activities

Exhibit G- Expense Details Redevelopment Activities

Exhibit H-Community Redevelopment Law

Exhibit I- FY 06-07 TIDA Project Achievements

Exhibit J- FY 07-08 TIDA Project Goals

Prepared by Frishtah Afifi, Project Administrator
for Mirian Saez, Director of Island Operations

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NOTABLE BUDGET CONSIDERATIONS:

- **REVENUES:** Total revenues from property management activities are projected to be $6,983,535 in FY 2007-08. TIDA's main revenue source of approximately $5.1 million is from rental of housing units on Treasure and Yerba Buena Islands, managed under an agreement with the John Stewart Company ("JSCO"). The Common Area Maintenance charges (CAM) paid by the Marina, housing and commercial tenants are also listed in this year's budget.

- **EXPENSES:** The FY 2007-08 Budget projects net property management expenditures at $9,601,799. Further, $2,600,525 is budgeted for redevelopment planning costs that will be incurred in FY2007-08 which will be 100% reimbursed by the Master Developer. The expenses for redevelopment related activities listed separately from the operating activities. In addition, salaries and fringes are listed under General Services Agency (GSA) since Project Staff is housed as employees of GSA, as per our MOU. TIDA will work-order monies to fund 8 positions for operations including a Leasing Manager and 2 positions for redevelopment planning activities. Expenses for the Police, Fire and SF PUC are maintained at a level consistent with FY 2006-07. The DPW Bureau of Building Repair's budget is increased from $900,000 to $1,166,152, to reflect needed building repairs and increase in staffing. In addition, a new expense line item has been added for Special Capital Improvement projects for repairs of the Fog Watch, Hanger 3 roof and the Administration Building refurbishing.

- **REIMBURSEMENTS:** The FY 2007-08 Budget includes an estimated $2,600,525 in reimbursements by the Master Developer, Treasure Island Community Development (TICD), for TIDA's redevelopment planning costs under the terms of the Exclusive Negotiation Agreement (ENA) between TIDA and TICD. These costs include engineering services, fiscal and economic analysis, planning, and the reimbursement of services provided by the Mayor's Office of Base Reuse, City Attorney's Office and designated TIDA staff.

- **AFFORDABLE HOUSING**

  I. TIDA provides housing units and facilities to non-profit organizations affiliated with the Treasure Island Homeless Development Initiative on a rent-free basis to assist economically disadvantaged and homeless San Franciscans. A conservative estimate of this subsidy from providing 250 housing units is approximately ($3) million for FY2007-08.

  II. The Sharing Agreement between the Treasure Island Development Authority and Treasure Island Homeless Development Initiative is a component of the affordable housing program on the Base. Effective July 1, 2007, based on an amended Sharing Agreement that provides for a new revenue sharing formula and the transfer of the 54 units from JSCO to TIHDI, TIHDI will receive approximately $621,105 which is 10.83% of the total housing revenues from TIDA.

Based upon a 578 unit portfolio in FY 07-08, the total projected housing revenue from the John Stewart Company is $5,735,050. The new Sharing Agreement formula calculates the payment to TIHDI the following way:

$5,735,049 X 10.83% =$621,105

- **OTHER CONSIDERATIONS:** The use of non-tax revenues to pay for City services on Treasure Island is limited to the legal factor of the Tidelands Trust. Treasure Island proper and a small portion of Yerba Buena Island are subject to the Tidelands Trust, which is governed by the State Lands Commission. The Tidelands Trust requires that revenues generated from Trust lands be used for Trust purposes. As a result, revenues generated on Trust lands (i) must be carefully tracked, (ii) should not be used to pay for City services provided to non-Trust properties such as the greater part of Yerba Buena Island (including property owned by the Coast Guard), the Job Corps, and the Bay Bridge, and (iii) must be limited to reasonable costs that directly benefit the Trust. On the other hand, the Base's geographic remoteness and corresponding need for dedicated personnel may make such services sufficiently unique to justify using Trust revenues to pay for them.

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TIDA REVENUE SPREADSHEET	2006-07 TIDA Approved	2007-08 Proposed
TI Special Events Revenues	550,000	550,000
TI Commercial Revenues	340,000	519,430
TI Film Revenues	25,000	25,000
YBI Filmming/Cellsites/ Banner Revenues	40,000	121,428.00
Marina Revenues	219,000	181,715
TI Housing Revenues	6,670,000	4,398,000
YBI Housing Revenues	920,000	715,954
CAM Revenues	472,009.00	472,009.00
Grand Totals	**$9,236,009**	**$6,983,536**
	*Note: CAM was not captured in 06-07 FY	

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I. TIDA REVENUE DETAILS

A. TI Administration

TIDA FY 06-07 Budget	Proposed FY 2007-08	Change
$3,711,000	$2,600,525	($1,109,475)

Developer Reimbursement

This revenue line primarily includes revenues associated with reimbursement of TIDA's redevelopment planning costs by the prospective master developer, TICD, under the terms of the ENA. These costs are anticipated to total $2,600524 in FY 2007-08. The FY -6-07 Budget included both reimbursements from FY 05-06 ($1 million) and FY 06-07 ($2,711,000)

B. TI Special Events Revenues

This amount reflects revenues received from special events held on Treasure Island such as corporate events, wedding receptions, and chapel use, etc.

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$550,000	$550,000	No Change

C. **TI Commercial Revenues**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$340,000	**$506,470**	**$166,470**

This amount reflects executed leases for space on Treasure Island and an amount of additional revenues associated with estimated new leasing activity during FY 2007-08.

Tenant	Monthly Rent	Annualized
California Logistics	$13,061	$156,732
Glide Foundation	$2,000	$24,000
Goodwill	$2,266	$27,192
Island Creative Management	$20,964	$251,566
SF GG Youth Rugby	$1,030	$12,360
SF Kanko Photo Booth	$515	$6,180
SF Vending	$250	$3,000
Walter Wong Construction	$2,000	$24,000
Total Current Tenants	**$42,086**	**$505,030**
Estimated FY 07-08 Potential New Leasing		
Building 146-Gate House-Bay Area Air Quality Management District	$300	$3600
Building 69 – Shed, Occidental Power	$600	$7200
Great Lawn-Lawrence Berkeley Laboratory	$300	$3600
Total FY 07-08 Potential New Leasing	**$1,200**	**$14,400**
Total Current & Potential New Leasing	**$43,400**	**$519,430**

D. TI Film Permits

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$25,000	**$25,000**	**No change**

This amount reflects revenues received from film permits issued on Treasure Island.

E. YBI Cell Sites & Banner Revenues

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$40,000	**$121,430**	**$81,430**

This amount reflects revenues that will be received from Cell Sites ($31, 428) and YBI Tunnel banner permits ($90,000) issued on Yerba Buena Island. The increase is based on actual received over the past two fiscal years.

F. TI Marina

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$219,000	**$121,715**	**($37,285)**

This amount reflects executed agreements for use at Treasure Island Marina based on the following agreements;

Tenant	Monthly Rent	Annualized
Treasure Island Enterprises	$7,775	$93,300
TI Yacht Club	$620	$7,440
Bertone	$1,060	$12,730
Salt River Constructions	$5,000	$60,000
Historic Tugboat	$687	$8,245
Grand Totals	**$15,140**	**$181,715**

The decrease is due to the discontinuation of the lease agreement between TIDA and Westar for the rental of the barges.

G. **TI Housing Revenues**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$6,670,000	**$4,398,000**	**($2,272,000)**

Based upon a 578 unit portfolio for FY 07-08, the total projected housing revenue from the John Stewart Company is $5,735,050. The revenue for the 498 units, or approximately 86% of the housing located on Treasure Island, is projected to be $4,398,000. Further, of the 498 units on Treasure Island, only 489 units are income producing because the Navy has not transferred them over to JSCO due to remediation testing. The Navy's current environmental remediation work at Site 12 will also result in approximately $123,000 decrease in revenues in the FY 2007-08. Additionally, the transition of 54 units from the John Stewart Company portfolio to TIHDI effective July 1, 2007 will also result in decreased revenues.

Finally pursuant to approval by the Authority Board and the Board of Supervisors, utility rates for the housing units are scheduled to increase by approximately $20 per month per residential unit. This change is intended to enable PUC to recover more of its costs of providing utility service which have increased over the past two years due to the increased cost of energy commodities. Because John Stewart Company pays a flat rate per unit for utility services (units are not individually metered), the result is reduced revenues to TIDA.

H. **YBI Housing Revenues**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$920,000	**$715,955**	($86,950)

Based upon a 578 unit portfolio, the total projected housing revenue from the John Stewart Company is $5,735,050. The revenue for the 80 units, or approximately 14% of the housing located on Yerba Buena Island, is projected to be $715,955. In addition, the utility rate increase discussed above will result in decrease of revenues for Yerba Buena Island.

I. Common Area Maintenance (CAM) Revenues

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$0	**$472,010**	**$472,010**

CAM charges paid to TIDA monthly by the commercial, marina and housing tenants are now reflected as revenue. The amounts of CAM revenues are assessed on the following tenants.

Commercial Tenant	**Monthly CAM**	**Annual CAM**
Kidango	$630	$7,560
TIHDI-Administration Building	$800	$9,600
TIHDI-Service Space	$105	$1,260
TIHDI-Shape Shape Building	$144	$1,728
Total Commercial CAM Charges	**$1,679**	**$20,148**

Marina Tenants	**Monthly CAM**	**Annual CAM**
TI Marina	$275	$3,300
TI Sailing Center	$100	$1,200
TI Yacht Club	$35	$405
Total Maria CAM Charges	**$410**	**$4,905**

Housing Tenant	**Monthly CAM**	**Annual CAM**
Catholic Charities	$2,876	$34,519
CHP (Island Bay Homes)	$1,094	$13,134
Haight Ashbury Free Clincs	$823	$9,882
Rubicon Programs	$2,055	$24,660
Swords to Plow Share	$1,146	$13,760
Walden House	$950	$11,401
John Stewart Company	$28, 300	$339,600
Total Housing CAM Charges	**$37,244**	**$446,956**
Grand Total CAM Charges	**$39,330**	**$472,010**

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Expenses	TIDA Board Approved 06-07	07-08 Proposed Budget
DRAFT TIDA OPERATIONS FY 07-08 BUDGET		
ADMINISTRATION		
MISC-REGULAR (Salaries)	$850,378	Under GSA's Budget
RETIRE CITY MISC FRINGE BENEFITS	$179,344	Under GSA's Budget
TRAVEL COSTS PAID TO EMPLOYEES	$5,000	$5,000
TRAINING COSTS PAID TO EMPLOYEES	$8,000	$8,000
LOCAL FIELD EXP	$500	$500
MEMBERSHIP FEES	$1,200	$5,000
PROMOTIONAL & ENTERTAINMENT EXPENSE	$1,000	$15,000
Delivery & Postage (OTHER CURRENT EXPENSES)	$7,500	$7,500
OFFICE RENTALS & LEASES OF EQUIPMENT	$15,000	$15,000
OFFICE MATERIALS & SUPPLIES	$10,000	$46,000
TOTAL ADMINISTRATION	**$1,077,922**	**$102,000**
PROFESSIONAL & SPECIALIZED SERVICES		
Redevelopment Planning Activities	**$1,550,000**	
TIHDI Operating Contract	$225,000	$225,000
TI Gym Operation	$215,000	$215,000
Marine Salvage		$25,000
Special Events Staff		$60,000
COMMUNITY BENEFIT FUND	$1,000,000	$465,000
SCAVENGER SERVICES (Golden Gate Disposals)	$25,000	$25,000
JANITORIAL SERVICES (Toolworks)	$130,000	$150,000
GROUNDS MAINTENANCE (Rubicon Landscaping)	$725,000	$800,000
TIDA DIRECTOR'S LIABILITY INSURANCE	$50,000	$45,000
COMMON AREA MAINTENANCE CHARGES TO OTHER GOVERNMENT AGENCY (NAVY)	$211,000	$211,000
TOTAL PROFFESSIONAL & SPECIALIZED SERVICES		**$2,221,000**
CITY DEPARTMENT WORK-ORDERS		
DTIS SERVICES (AAO)	$13,750	$16,000
RISK MANAGEMENT INSURANCE CONSULTING	$5,000	$6,250
GENERAL SERVICES AGENCY	$110,000	$1,061,186
GF-CITY ATTORNEY-LEGAL SERVICES (AAO)	$200,000	$200,000
GF-FIRE (AAO)	$4,277,325	$4,320,711
GF-HR-MGMT TRAINING (AAO)	$1,500	$3,000
IS-PURCH-CENTRAL SHOPS-AUTO MAINT (AAO)	$3,000	$3,000
IS-PURCH-CENTRAL SHOPS-FUEL STOCK (AAO)	$2,000	$3,500
IS-PURCH-REPRODUCTION (AAO)	$5,224	$25,000
GF-POLICE SECURITY (AAO)	$765,000	$765,000
GF-PUC-HETCH HETCHY (AAO)	$1,100,000	$1,000,000
SR-DPW-BUILDING REPAIR (AAO)	$900,000	$1,166,152
SR-DPW-ENGINEERING (AAO)	$65,000	$0
SR-DPW-CONSTRUCTION MGMT (AAO)	$35,000	$20,000
SPECIAL CAPITAL IMPROVEMENT PROJECTS		$489,000
TOTAL CITY DEPARTMENT WORK-ORDERS		**$9,078,799**
TOTAL OPERATIONS EXPENDITURES	**$14,274,111**	**$11,401,799**
NOTE* Expenditure Recovery ($1,800,000)		**Actual: $9,601,799**

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II. EXPENSE DETAILS PROPERTY MANAGEMENT OPERATIONS ACTIVITIES

The expenditure for property management and daily operations for Treasure and Yerba Buena islands fall under the following three categories: Administration, Professional Specialized Services and City Department Work-Orders.

A. ADMINISTRATION

1. **Travel Costs Paid to Employees**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$5,000	$5,000	No Change

Same level of funding as in the Fiscal Year 06-07.

2. **Training Costs Paid to Employees**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$8,000	$8,000	No change

Same level of funding as in the Fiscal Year 06-07.

3. **Local Field Expenses**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$500	$500	No change

Same level of funding for FY2006-07 for expenses, such as parking reimbursement.

4. **Membership Fees**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$1,200	$5,000	$3,800

Increases the level of funding by $3,800 for staff professional memberships for organizations such as San Francisco Planning & Urban Research (SPUR), the National Association of Installation Developers (NAID) and City Manager's Association.

5. **Promotional & Entertainment**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$1,000	$15,000	$14,000

Increases the level of funding by $14,000 to promote and market Special Events venues and advertise commercial opportunities.

6. **Delivery fees & Postage (Other Current Expenses)**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$7,500	$7,500	No Change

Provides the same level of funding as FY 06-07 for postage, messenger, and printing costs.

7. **Office Rental and Leased - Equipment**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$15,000	$15,000	No Change

Provides the same level of funding as in last fiscal year as $15,000 provides sufficient funding for office machine rental including copier, postage machine for FY2007-08.

8. **Office Materials & Supplies**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$10,000	$16,000	$6,000

The proposed FY 07-08 budget provides a $6,000 increase in funding for office materials and supplies. $6,000 is budgeted for purchase of a new fax machine.

EXPENSES DETAILS OPERATIONS CONTINUED

B. PROFESSIONAL SPECIALIZED SERVICES

1. **Treasure Island Homeless Development Initiative (TIHDI)**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$225,000	$225,000	No Change

Under this contract, TIHDI provides several services including coordinating and facilitating participation of community-based homeless service organizations in the interim phase of the base as well as future redevelopment planning. TIHDI also provides input in community services and development components and coordinates recreational activities on Treasure Island through various programs. The proposed budget provides the same level of funding as last fiscal year.

2. **YMCA Gym Operation**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$215,000	$215,000	No Change

This amount provides funding to the YMCA for operation of the Treasure Island gym for recreational programming for the island residents. The proposed budget provides the same level of funding as last fiscal year.

3. **Marine Salvage Services**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$0	$25,000	$25,000

$25,000 is anticipated in hiring a contractor to assist with marine salvage services for the Clipper Cove.

4. **Special Events Support Staff**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
0	$60,000	$60,000

The Special Events contract staff provides various services to support the events department including opening and closing venues, monitoring events and delivers liaison services between the Special Events Coordinator and the clients. Three contracts at $20,000 are anticipated for the next fiscal year. The contracts were not reflected in last year's budget.

5. **Community Benefit Fund**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$1,000,000	**$465,000**	**($535,000)**

The TIDA Board directed staff in Resolution #05-041-11/09, passed on November 9, 2005, to engage in a community process to establish priorities for allocating funds from reimbursable redevelopment planning expenses that were incurred during FY 05-06. In FY 06-07, TIDA was reimbursed $1,055,244 from the prospective master developer for these redevelopment activity related expenses. The funds will be available for expenditure partially in FY 06-07 and in FY 07-08. The specific projects proposed for funding were selected as a result of community outreach surveys and meetings were brought before the Authority Board on April 11, 2007.

FY 06-07

a. Kidango for Affordable Childcare	$25,000
b. The Boys and Girls Club	$80,000
c. TIHDI Self Sufficiency Program	$50,000
FY06-07 Total	**$155,000**

FY07-08

a. The Playground	$289,000
b. Skate Board Park	$61,000
c. Emergency Planning	$105,000
d. Community outreach public events	$10,000
FY 07-08 Total	**$465,000**
Total for FY 06-07 and 07-08	**$620,000**

6. **Scavenger Services**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$25,000	**$25,000**	**No Change**

Norcal provides scavenger services to Treasure and Yerba Buena Islands. The proposed budget provides the same level of funding as last fiscal year.

7. **Janitorial Services**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$130,000	**$150,000**	**$20,000**

Toolworks provides janitorial maintenance services for various buildings on Treasure Island and is a partner organization of TIHDI that employs formerly homeless and economically disadvantaged individuals. The proposed FY 07-08 Budget provides an increase of $20,000 in funding from the last fiscal year for additional janitorial services needed due to increased leasing activities and SFPD office.

8. **Rubicon Landscaping Grounds Maintenance**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$725,000	**$800,000**	**$75,000**

Rubicon Enterprises provides all landscaping maintenance services on Treasure and Yerba Buena Islands. The proposed 2007-08 budget increases the landscaping line item by $75,000 to include some needed preventative ground maintenance services such as tree trimming, landscaping for the Special Events venue Casa de la Vista and the Great Lawn irrigation project. Rubicon is a partner organization of TIHDI and employs formerly homeless and economically disadvantaged individuals.

9. **Insurance Budget**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$50,000	**$45,000**	**$5,000**

TIDA's Director's Liability insurance was reduced to $35,000 in FY 06-07. The remaining $10,000 is funds for insuring the Miguel Covarrubias Murals. The proposed $45,000 for FY 07-08 Budget provides a decrease of $5,000 in funding from the last fiscal year.

10. **Navy Common Area Maintenance (CAM) Charges Payments to Other Govt. Agencies**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$211,000	**$211,000**	**No Change**

TIDA owes the U.S. Navy $872,000 associated with unpaid common area maintenance (CAM) charges pursuant to the Cooperative Agreement. The Navy has informally agreed to allow TIDA to repay these charges over time per agreement. In FY2005-06, $450,000 was paid to the Navy with the remaining $422,000 to be paid in two installments over the next two years. Therefore, $211,000 is budgeted for FY2007-08 to satisfy the terms of the agreement .

C. EXPENSES – WORK-ORDER SERVICES OF OTHER DEPARTMENTS

1. DTIS– Telephone

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$13,750	$16,000	$2,250

This $16,000 provides funds for telephone services as requested by the Department of Telecommunications and Information Systems/GSA. The increase of $2,250 is to upgrade the Project Office's voice-mail system capabilities in the FY 2007-08.

2. Risk Management Insurance Consulting

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$5,000	$6,250	$1,250

This $6,250 provides funds for the Mayor's Office of Insurance and Risk Reduction for FY2007-08. The increase of $1,250 is requested by Risk Management.

3. General Services Agency

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$110,000.00	$1,065,504	$955,504

A. Accounting/Budget Preparation/Financial Oversight/IT Services

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$110,000	$115,000	$5,000

General Services Agency provides services to TIDA in support of human resources, budget, accounting, financial reporting, payroll and certain information and technology support. The management and financial oversight are part of the MOU agreement.

All network/server/Lotus/workstation/software maintenance and support that was previously provided by DTIS is now handled by General Services Agency. The increase in the proposed 07-08 Budget is due to the necessity of the need to replace the server and purchase property management software in the next fiscal year. The proposed 2007-08 Budget increase the funding for this line item by $5,000.

4. **City Attorney & FRINGES**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change	Change
$210,000	$260,000	No change	(79,220)

This amount will be reflected in the City Attorney's Office budget to provide legal services to the City Manager and other positions within the City's office. Also, the City Attorney's Office will provide legal services for Property Management and Administrative Analyst. Administrative Analyst position will be reclassified from 1820 to other Administrative Analyst. Since TIDA ceased to exist in FY 07-08, the position remains employed in the General Services Agency (GSA) and will be reflected in the GSA's budget presented to the Board of Supervisors.

5. **Fire Department**

The decrease in salaries and fringes is due to TIDA's completion of severance payment for the Former Executive Director in May of 2007. The total operations salaries & fringes is $90,305 for the following positions:

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$4,277,325	$4,320,711	$43,386

For fire protection services of both islands on behalf of TIDA, the Fire Department has requested an increase of $43,386 from last fiscal year due to the annual wage increase and the rising costs of fringe benefits in the Firefighters MOU negotiations this year. The proposed $4,301,701 amount is decreased by $1.8 million in exchange for SFFD occupation of the Fire Training facility on Treasure Island.

Class#	Classification Title	TIDA Job Title	Annual Salary	Fringe Benefits	Total
0953	Deputy Director III	Director of Island Operations	$149,084	$30,475	$180,119
4142	Senior Real Property Officer	Leasing Manager	$81,518	$18,925	$100,443
41426.	Senior Real Property Officer	Leasing Manager	$108,691	$25,232	$133,923
1823	Senior Administrative Analyst	Press Information Officer	$90,994	$23,373	$114,367
1823	Senior Administrative Analyst	Asst Facilities Manager	$90,994	$23,373	$114,367
1823	Senior Administrative Analyst	Asst Auditor	$90,994	$23,373	$114,367
1820	Junior Administrative Analyst	Receptionist/Admin Support	$56,111	$22,440	$78,551

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$1,500	$3,000	$1,500

Provides an increase of $1,500 for staff Human Resources management training.

7. **Purchasing – Central Shops – Auto Maintenance**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$3,000	$3,000	No change

8. **Purchasing – Central Shops – Fuel**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$2000	$3,500	$1,500

Total Proposed TIDA Salaries	$759,942	$190,562	$ 950,505

Provides an increase of $1,500 for fuel and vehicle maintenance services provided by Central Shops.

9. **Purchasing –Reproduction**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$5,224	$25000	$19,776

Provides an increase of $19,776 to cover the cost for TIDA's website project, production of marketing material for Special Events venues and photocopying support for TIDA board packages.

10. **Police Department**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
765,000	$765,000	No Change

Provides the same level of funding as last fiscal year for SFPD services for both Islands.

11. **Public Utilities Commission**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$1,000,000	$1,000,000	No Change

The same level of funding is requested in the FY2007-08. This amount reflects an annual utility service of $700,000 for buildings that PUC bills TIDA for directly and $300,000 for the annual rental of a backup electrical generator located at Treasure Island.

12. **Public Works (DPW)**

A. **DPW Bureau of Building Repair (BBR)**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$900,000	$1,166,152	$266,152

The proposed 2007-08 Budget increases the level of funding for the DPW Bureau of Building Repair by $266,152 due to the needed building repairs based on this year's actuals and maintenance as well as increasing DPW staffing by .5 full-time employee.

B. **DPW Engineering**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$65,000	$0	($65,000)

The proposed 2007-08 Budget allocates zero funding for DPW Engineering.

C. **DPW Construction Management**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$35,000	**$20,000**	**($15,000)**

The proposed 2007-08 Budget allocates $20,000 in funds for DPW Construction Management.

13. **Special Capital Improvement Projects**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$0	$489,000	$489,000

A. **Fog Watch Building Repair**

The proposed 2007-08 Budget plans funding for the repair and renovation of the Fog Watch Building for use of Special Events. $317,085 is budgeted for repairs to the roof, interior and exterior painting, carpentry work, replacement of the carpet as well as electrical upgrades.

B. **Hanger 3 Roof Repair**

The proposed 2007-08 Budget allocates $130,000 for roof repair work for Hanger 3.

C. **Administration Building One Refurbishing**

The proposed 2007-08 Budget allocates $42,000 to paint certain interior areas of the Administration Building, replace the mezzanine level carpet, and general refurbishing of the facility.

III. Expenditure Recovery

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
($1,800,000)	**($1,800,000)**	**No Change**

Since 1999, the Fire Department has subleased approximately 334,000 square feet at the Treasure Island Fire Training Academy Facility. The Fire Department has funded TIDA in the amount of $1,800,000 annually for use of the facility and this figure remains unchanged in this fiscal year. The payment simply reduces the annual SFFD bill to TIDA for fire services to the two islands by $1,800,000.

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Expenses	06-07 TIDA Approved	07-08 Proposed
DRAFT TIDA REDEVELOPMENT PLANNING FY 07-08 BUDGET		
PROFESSIONAL & SPECIALIZED SERVICES		
Environmental Engineering (Geomatrix)	$200,000	$200,000
CH2MHill	$100,000	$100,000
Redevelopment Planning (Siefel Consulting)	$75,000	$75,000
Economic & Fiscal Analysis (RFP)	$150,000	$150,000
Urban Design Planning FY 07-08 (SFRA)	$25,000	$75,000
Transportation Planning (Transportation Autho	$50,000	$75,000
Financial Advisor/Bond Counsel (MOPF)	$50,000	$50,000
Cost Estimating (TBD)	$50,000	$50,000
Appraisal/Other Consultants (TBD)	$50,000	$50,000
Ferry Terminal Planning Grant Match (TBD)	$281,000	$281,000
YBI Natural Areas Management Plan (TBD)	$0	$25,000
Sustainablity Planning	$50,000	
Ramp Project Study Report	$350,000	
	$59,000	
Subtotals	**$1,490,000**	**$1,131,000**
CITY DEPARTMENT WORK-ORDERS		
General Service Agency	$159,504	$299,525
City Attorney's Office	$700,000	$550,000
PUC	$100,000	$100,000
Department of Enviornment	$10,000	$50,000
Planning Dept Redevelopment Planning	$35,000	$235,000
Mayor's Office of Base Reuse	$200,000	$235,000
Subtotals	**$1,204,504**	**$1,469,525**
TOTAL REDEVELOPMENT EXPENDITURES	**$2,694,504**	**$2,600,525**

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EXPENSES DETAILS REDEVELOPMENT PLANNING ACTIVITIES

The redevelopment planning expenditure activities for the transfer of the former military base Treasure Island fall under two following categories:.

A. Professional and Specialized Services

B. City Department Work-Orders.

A. PROFESSIONAL AND SPECIALIZED SERVICES

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$1,550,000	**1,131,000**	**($419,000)**

The following is an estimate of the consulting services projected for FY 2007-08 to support redevelopment planning activities that enable reuse of the former military facility. These costs will be 100% reimbursed by the prospective master developer per the terms of the ENA between TIDA and TICD, and consist of the following components:

1.	Environmental Engineering (Geomatrix)	$200,000
2.	Environmental Engineering (CH2MHILL)	$100,000
3.	Redevelopment Planning – (Siefel Consulting)	$75,000
4.	Economic and Fiscal Analysis (RFP)	$150,000
5.	Urban Design/Planning (to be determined)	$75,000
6.	Transportation Planning (Transportation Authority)	$75,000
7.	Financial Advisor/Bond Counsel (MOPF)	$50,000
8.	Cost Estimating (to be determined)	$50,000
9.	Appraisals/Other consultants - (to be determined)	$50,000
10.	Ferry Terminal Planning Grant Match (to be determined)	$281,000
11.	YBI Natural Areas Management Plan (to be determined)	$25,000
Total Projected FY2007-08 costs to be incurred		**$1,131,000**

B. **City Department Work-Orders**

1. **General Services Agency Staff**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$159,504	**$299,525**	**$140,021**
0933 Manager V	($139,519 Salary + $29,698 Fringe = $169,217)	
1824 Assistant Project Manager	($105,351 Salary + $24,957 Fringe =$130,308)	

Upon endorsement of the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island (Development Plan) by the Authority Board and the Board of Supervisors, the Authority will move into the next phase of redevelopment planning. This phase includes an increased level of redevelopment planning work including negotiation of a Disposition and Development Agreement with the Mmaster Developer, project-specific environmental review under CEQA, formulation of a Redevelopment Plan, negotiation of transfer of property and environmental remediation responsibilities with the US Navy, negotiation of a Tidelands Trust Exchange Agreement and many other elements discussed previously with the Authority Board. Consequently, staff has determined that an Assistant Project Manager is necessary to support these activities and an additional staff position has been added. Funding for both positions will be reimbursed by the Master Redeveloper.

2. **Mayor's Office of Economic Workforce Development**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$200,000	$235,000	$35,000

TIDA has designated staff from the Mayor's Office of Base Reuse and Development as the lead negotiator on behalf of TIDA in negotiations with the US Navy and prospective master developer. The $235,000 funds services provided by staff in the Mayor's Office of Base Reuse and Development representing TIDA. This $235,000 will be 100% reimbursed by the prospective master developer.

3. **City Attorney's Office**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$700,000	$550,000	($150,000)

$550,000 is budgeted for the City Attorney Office's work assisting and representing TIDA in its redevelopment planning and negotiation with the prospective master

developer and US Navy for transfer and cleanup of the former base. The $550,000 for redevelopment planning activities in the FY 2007-08 will be 100% reimbursed by the prospective master developer.

4. **Department of the Environment**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$10,000	**$50,000**	**$40,000**

The Department of the Environment has been involved in the redevelopment planning process by assisting with sustainability planning activities. TIDA anticipates that the Department's role in the next fiscal year will include additional support and is budgeting $50,000 for these services. This $50,000 will be 100% reimbursed by the prospective master developer.

5. **Planning Department**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$35,000	**$235,000**	**$200,000**

The redevelopment planning process will include environmental review under CEQA. The Planning Department's Major Environmental Analysis division manages the CEQA review process and charges for its time based on a fee schedule based on project size. This $235,000 will be 100% reimbursed by the prospective master developer.

6. **Public Utilities Commission**

TIDA FY 06-07 Budget	Proposed FY2007-08	Change
$100,000	$100,000	No Change

In the next fiscal year, $100,000 is budgeted for the PUC's role in assisting TIDA in the redevelopment planning which will be 100 % reimbursed by the developer under the terms of the ENA.

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MEETING CALIFORNIA COMMUNITY REDEVELOPMENT LAW REQUIREMENTS:

Pursuant to Section 33606 of the California Community Redevelopment Law (CRL) an agency shall adopt an annual budget containing all of the following specific information, including all activities to be financed by the Low and Moderate Income Housing Fund establishedpursuant to Section 33334.3:

(a) The proposed expenditures of the agency.
(b) The proposed indebtedness to be incurred by the agency.
(c) The anticipated revenues of the agency.
(d) The work program for the coming year, including goals.
(e) An examination of the previous year's achievements and a comparison of the achievements with goals of the previous year's work program.

Since TIDA is a redevelopment agency under the CRL, it needs to comply with the requirements of the CRL. TIDA has not yet adopted a redevelopment plan and is not receiving any tax increment, so it has nothing to report regarding activities financed by the Low and Moderate Income Housing Fund.

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TREASURE ISLAND DEVELOPMENT AUTHORITY
PROJECT ACHIEVEMENTS
PROJECT: TREASURE ISLAND REDEVELOPMENT PROJECT
July 1, 2006 - June 30, 2007

FISCAL YEAR 2006-2007 ACHIEVEMENTS

1. Endorsement of the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island by the Treasure Island/Yerba Buena Island Citizen's Advisory Board, Authority and the Board of Supervisors.

2. Worked with Caltrans to successfully award a contract for construction of double submarine cables connecting Treasure Island to Oakland.

3. Community outreach efforts continued including staffing the TI/YBI CAB and participating with the Treasure Island Restoration Advisory Board (facilitated by the Navy with a specific interest in the cleanup efforts), and holding public workshops and making presentations to the Board of Supervisors Land Use and Economic Development Committee.

4. Representatives from the Mayor's Office of Economic and Workforce Development, Treasure Island Project Office, and the Office of the City Attorney continued the important independent monitoring of the Navy's environmental remediation efforts.

5. Working through the San Francisco County Transportation Authority and Caltrans, completed preparation of a Project Study Report for new ramps connecting Yerba Buena Island to the new Eastern Span of the Bay Bridge.*

6. Initiated the process of project specific environmental review under CEQA for the proposed Development Plan.

7. Property management of island facilities and oversight of municipal services. To offset the costs associated with property management and public service responsibilities, revenues are generated from interim leasing of existing facilities and special events.

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TIDA FISCAL YEAR 2007-2008 GOALS

1. Negotiate term sheet agreement with US Navy for conveyance of former Naval Station Treasure Island to the Authority.
2. Initiate the process of creating a Redevelopment Plan.
3. Work with the San Francisco Planning Department to prepare and publicly distribute the Draft EIR.
4. Initiate process of amending the San Francisco General Plan, Planning Code and Zoning Map consistent with redevelopment project.
5. Continue to develop the redevelopment plans for Treasure Island in furtherance of a final Disposition and Development Agreement, through the extensive public planning process.
6. Successfully obtain legislation (i) authorizing transferring ownership to Caltrans of ramps connecting Yerba Buena Island to the new eastern span of the San Francisco-Oakland Bay Bridge, (ii) authorizing an exchange of Tidelands Trust properties consistent with the land use plan in the Development Plan, and (iii) creating a Treasure Island Transportation Management Agency and authorizing the implementation of a transportation management program that includes congestion pricing, and parking fees and a transit pass program, all subject to approval of the Board of Supervisors.
7. Work with the San Francisco Public Utilities Commission to evaluate the feasibility of public power operation at Treasure Island.
8. Provide property management of Island facilities.
9. Ensure delivery of municipal services to Island community.
10. Generate revenues to cover costs associated with property management and municipal services.

v1.3

AGENDA ITEM 10
Treasure Island Development Authority
City and County of San Francisco
Meeting of April 11, 2007

Subject: Resolution Approving an Amendment to the Refuse Collection Agreement between Golden Gate Disposal & Recycling Company and the Treasure Island Development Authority to Extend the Agreement Until the Earlier of the Navy's Transfer of Treasure Island to the Authority or May 31, 2009. *(Action Item)*

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0382

BACKGROUND

Refuse in the City and County of San Francisco must be handled in accordance with the requirements of the 1932 Refuse Collection and Disposal Initiative Ordinance ("1932 Ordinance"). Section 4 of the 1932 Ordinance requires a refuse collector to obtain a permit from the Department of Public Health for routes established under the 1932 Ordinance.

Treasure Island is currently in a state of transition. The US Navy owns Treasure Island, but the Treasure Island Development Authority (the "Authority") and the Navy are actively negotiating the transfer to the Authority portions of Treasure Island that are no longer occupied by the federal government. Pending the transfer, the Authority manages and controls various facilities at Treasure Island. The Base Caretaker Cooperative Agreement dated March 12, 1997, as amended from time to time (the "Cooperative Agreement"), between the Navy and the Authority, requires the Authority to provide certain services and assume certain responsibilities for management of the Base, including refuse collection. According to Functional Annex 4.2.8 (Technical Execution Plan for Annex 4 Building and Roads Maintenance) of the Cooperative Agreement, The Caretaker, the Authority assumed responsibility for disposal of waste.

While the Navy was occupying Treasure Island, refuse collectors were permitted under the Federal Facilities Refuse Collection Permit Regulation (the "Federal Facilities Refuse Permit Regulation") adopted by the Health Commission in 1992. The Federal Facilities Refuse Permit Regulation governed the issuance of refuse collection permits for federal facilities within the exterior boundaries of the City and County of San Francisco. The Federal Facilities Refuse Permit Regulation no longer applies to the portions of Treasure Island under the management and control of the Authority since such areas are no longer federal facilities. In 1999, the Health Commission adopted the Regulation for Issuance of Refuse Collection Permits for Non-Federal Facilities at Treasure Island and Yerba Buena Island (the "TI/YBI Refuse Permit Regulation"), which currently controls the permitting process for refuse collection at Treasure Island. Upon the Navy's transfer of Treasure

Island to the Authority, the established routes for the refuse collection permit issued for San Francisco under the 1932 Ordinance will be expanded to include Treasure Island.

The Authority generally procures services in accordance with the Treasure Island Development Authority Purchasing Policy and Procedures. On August 18, 1999, the Authority's Board of Directors approved a three year contract with Golden Gate Disposal and Recycling Company ("Golden Gate") for refuse collection services at Treasure Island. That agreement expired on September 1, 2002. Golden Gate is a subsidiary of Norcal Waste Systems, Inc. ("Norcal"). Golden Gate and Sunset Scavenger- another wholly-owned subsidiary of Norcal- are the sole holders of the permit for residential refuse collection and recycling services on Non-Governmental properties in San Francisco. Golden Gate holds a refuse collection permit for Treasure Island under the TI/YBI Refuse Permit Regulation.

On May 8, 2002, the Authority Board adopted a resolution approving the issuance of the "Invitation for Bid – Refuse Collection Service at Treasure Island and Yerba Buena Island." In May 9, 2002, the Authority issued the Invitation to Bid to the public. The Authority did not receive any timely bids. Golden Gate did submit a bid, but it was not timely and was therefore rejected. Since Golden Gate was the only company to submit a bid the Authority negotiated an agreement with Golden Gate. The Authority negotiated and approved an agreement with Golden Gate dated September 1, 2002 (the "Existing Agreement") to provide refuse collection and disposal services on Treasure Island. The initial term of the Existing Agreement expired on September 1, 2005. The Authority Board has approved extensions to the Existing Agreement and Golden Gate continues to provide refuse collection services to Treasure Island. The current extension expires on May 30, 2007.

On October 12, 2005, the Authority Board directed staff to initiate a competitive solicitation process for a new agreement for refuse collection services in accord with the Authority's Purchasing Policy and Procedures. Initial specifications drafted in consultation with the City Attorney and the Department of Environment provided prospective vendors a description of mandated goals, objectives and pricing. A critical element of the specifications was that upon transfer of the Base to the Authority, the right to collect residential refuse would be transferred to the firm holding the permit to collect residential refuse in the City of San Francisco.

On December 10, 2005, Project Staff invited interested parties to attend a meeting to discuss prospective specifications for competitive solicitations. Three firms attended the meeting. They were: Bay Cities Refuse of El Cerrito, Golden Gate Disposal and South San Francisco Scavenger Company.

According to Section 6 of the 1932 Ordinance, residential refuse collection rates in the City of San Francisco are adjusted from time to time as requested by the collector and reviewed by a Rate Board. Prior to Project Staff's issuance of the responses to bidder's comments and/or a new competitive solicitation, the Rate Board established new rates for residential refuse collection in the City of San Francisco effective July 1, 2006. Based on

concerns that new rates and services might have a substantial impact on rates and services for Treasure Island, issuance of the competitive solicitation was delayed

For the reasons discussed below, Project Staff recommends that the Existing Agreement be extended until the earlier of the Navy's transfer of Treasure Island to the Authority or May 31, 2009. This proposed extension would be in lieu of the competitive selection process described above.

- Completion of the competitive solicitation process will take approximately six months and significant staff time. Project Staff has been informed by the Mayor's Office of Base Reuse that transfer of Treasure Island from the US Navy to the Authority is likely to take place within the next 18 to 24 months. Upon transfer the City's residential refuse collection routes under the 1932 Ordinance will probably be expanded to include Treasure Island. Therefore, a new contract for refuse collection services would be for an indeterminate and limited duration, which would provide a new vendor an uncertain and limited opportunity to recover its investment. This is a disincentive for potential bidders to participate in a competitive bid process.

- The refuse collection services that Golden Gate provides at Treasure Island are complex and integrated with services provided by its sister companies in the City. These requirements include the establishment of an infrastructure capable of meeting aggressive recycling goals established by the City, avoidance of introduction of unnecessary waste into the waste stream, management of household hazardous waste materials, provision of community clean-up days, management of bulk collection processes and maintenance of high service standards. The City has a long-term agreement with Waste Management, Inc. to dispose of San Francisco's waste at the Altamont Landfill in Alameda County. SF Recycling and Disposal Company, another wholly-owned Norcal subsidiary, owns and operates both the transfer station and the recycling center in the City where it sorts and consolidates materials collected by Golden Gate before hauling the waste to Altamont and the recyclables to other markets and facilities. No other waste disposal firm provides these facilities and arrangements in San Francisco. Golden Gate already has the infrastructure in place to provide all of these services on Treasure Island at a rate that is lower than the rate currently paid by City residents. This unique market position gives Golden Gate a cost and service advantage in a competitive process.

- Over the past year, Project Staff and Golden Gate have been working diligently with Island residents to improve refuse collection services and increase Island residents' participation in the recycling program. Golden Gate has met and exceeded the City's environmental goals, including recycling and diversion rates. which is a successful practice that the Authority would like to continue.

- An extension of the Existing Agreement provides the least amount of disruption to Island residents and is consistent with the Project Staff's goal of providing

services to Treasure Island residents and businesses that are comparable to services provided to mainland residents.

- The Board of Supervisors recently approved a new contract with Golden Gate and Sunset Scavenger to collect refuse generated by City departments. Upon transfer of Treasure Island to the Authority, this contract is likely to include the collection of refuse generated by the Authority.

RECOMMENDATION

Authorize an amendment to the Existing Agreement to extend the term until the earlier of the effective date of the Navy's transfer of Treasure Island to the Authority or May 31, 2009 on the terms and conditions of the Existing Agreement.

EXHIBITS

EXHIBIT A - Seventh Amendment to Refuse Collection Agreement Between Golden Gate Disposal & Recycling Company and the Treasure Island Development Authority

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations

[Extend the contract with Golden Gate Disposal & Recycling Company for refuse collection services until the earlier of the Navy's transfer of Treasure Island to the Authority or May 31, 2009]

Resolution Approving an Amendment to the Refuse Collection Agreement between Golden Gate Disposal & Recycling Company and the Treasure Island Development Authority to Extend the Agreement until the Earlier of the Navy's Transfer of Treasure Island to the Authority or May 31, 2009.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those

portions of the Base which are subject to the Tidelands Trust, vested in the Authority the Authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Authority is a party to the Cooperative Agreement with the United States Navy under which the Authority assumed certain responsibilities with respect to the operation and maintenance of the Base, including property management and caretaker services; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors (the "Board"), has the power, subject to applicable laws, to enter into agreements or contracts for the procurement of goods and services related to the activities and purposes of the Authority; and,

WHEREAS, On March 11, 1998, the Board passed Authority Resolution No. 98-09-3/11, adopting and approving the Rules and Procedures Governing the Purchase of Goods and Services (the "Purchasing Rules") by the Authority; and,

WHEREAS, The Purchasing Rules require that except under certain conditions, all purchasing transactions be conducted in a manner that provides maximum open and free competition consistent with the Purchasing Rules; and,

WHEREAS, On August 18, 1999, the Authority approved a three year contract with Golden Gate Disposal & Recycling Company ("Golden Gate") for refuse collection services on Treasure Island, which contract expired on September 1, 2002; and,

WHEREAS, On August 14, 2002, the Authority approved a new contract with Golden Gate for refuse collection services dated September 1, 2002 (the "Existing Agreement"); and,

WHEREAS, The initial term of the Existing Agreement expired September 1, 2005, and the Authority approved extensions to the Existing Agreement; and,

WHEREAS, The current term of the Existing Agreement expires May 30, 2007; and,

WHEREAS, Project Staff commenced a competitive solicitation for a new refuse collection contract for Treasure Island; and,

WHEREAS, Project Staff has been informed by the Mayor's Office of Base Reuse that transfer of the Base from the US Navy to the Authority should occur in the near future; and,

WHEREAS, Upon transfer of the Base to the Authority, the City's refuse collection routes will be expanded to include Treasure Island, whereupon, the City's refuse collection permit holder will have the obligation to collect refuse on Treasure Island; and,

WHEREAS, Golden Gate is the current permit holder for refuse collection services in the City; and,

WHEREAS, In order to maximize continuity in services to Island residents and due to the uncertain duration of a new contract for refuse collection services, Project Staff recommends that the Existing Agreement be extended until the earlier of the effective date of the Navy's transfer of Treasure Island to the Authority or May 31, 2009;Now, Therefore Be It

RESOLVED, That the Board hereby finds and determines as follows:

1. Transfer of Treasure Island from the US Navy to the Authority should occur in the near future It is likely that upon transfer the City's residential refuse collection routes under the 1932 Ordinance will be expanded to include Treasure Island. Therefore, a new contract for refuse collection services would be for an indeterminate and limited duration and provide a new vendor an uncertain and limited opportunity to recover its investment. This is a disincentive for potential bidders to participate in a competitive bid process.
2. The refuse collection services that Golden Gate provides at Treasure Island are complex and integrated with services provided by its sister companies in the City. The City has a long-term agreement with Waste Management, Inc. to dispose of San Francisco's waste at the Altamont Landfill in Alameda County. SF Recycling and

Disposal Company, another wholly-owned Norcal subsidiary, owns and operates both the transfer station and the recycling center in the City where it sorts and consolidates materials collected by Golden Gate before hauling the waste to Altamont and the recyclables to other markets and facilities. No other waste disposal firm provides these facilities and arrangements in San Francisco. Golden Gate already has the infrastructure in place to provide all of these services on Treasure Island at a rate that is lower than the rate currently paid by City residents. This unique market position gives Golden Gate a cost and service advantage in a competitive process.

3. Golden Gate has met and exceeded the City's environmental goals, including recycling and diversion rates, which is a successful practice that the Authority would like to continue.

4. An extension of the Existing Agreement provides the least amount of disruption to Island residents and is consistent with the Project Staff's goal of providing services to Treasure Island residents and businesses that are comparable to services provided to mainland residents.

5. The Board of Supervisors recently approved a new contract with Golden Gate and Sunset Scavenger to collect refuse generated by City departments. It is likely that upon transfer of Treasure Island to the Authority, this contract will include the collection of refuse generated by the Authority.

6. Given the complexities of successful performance of the obligations required for refuse collection services on Treasure Island and Yerba Buena Island, further competitive solicitation for refuse collection services would not result in an improvement of services for Treasure Island, and it is in the best interests of the Authority and the island residents to extend the Existing Agreement as recommended by Project Staff; and,

7. That the proposed amendments to the Existing Agreement will serve the goals of the Authority and the public interests of the City; and,

8. That the terms and conditions of the proposed amendments to the Existing Agreement are fair and reasonable; and be it,

FURTHER RESOLVED, That the Board of Directors approves and authorizes the Director of Island Operations to execute the Seventh Amendment to the Existing Agreement in substantially the form attached hereto as Exhibit A, to extend the term of the Agreement until the earlier of the Navy's transfer of the Base to the Authority or May 31, 2009; and be it,

FURTHER RESOLVED, That the Board hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Existing Agreement that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to perform the services under the Existing Agreement, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

////

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed special meeting on April 11, 2007.

_____

John Elberling, Secretary

AVERY RECYCLED PAPER MADE FROM 30% POST CONSUMER CONTENT

EXHIBIT A

SEVENTH AMENDMENT TO REFUSE COLLECTION AGREEMENT

THIS SEVENTH AMENDMENT TO REFUSE COLLECTION AGREEMENT (this "Amendment") is made as of this _____ day of May, 2007, in San Francisco, California, by and between the **Golden Gate Disposal & Recycling Company**, a California corporation ("Golden Gate" or "Contractor"), and the **Treasure Island Development Authority,** a public body corporate and politic (the "Authority").

RECITALS

WHEREAS, the Authority and Contractor have entered into that certain Refuse Collection Agreement dated September 1, 2002 (hereafter, the "Original Contract"); and

WHEREAS, on August 25, 2005, the Authority and Contractor agreed to amend the Original Contract (hereafter, the "1st Amendment") to extend the term of the Original Contract to September 30, 2005; and

WHEREAS, on October 1, 2005, the Authority and Contractor agreed to amend the Original Contract (hereafter, the "2nd Amendment") to extend the term of the Original Contract to January 31, 2006; and

WHEREAS, on January 23, 2006, the Authority and Contractor agreed to amend the Original Contract (hereafter, the "3rd Amendment") to extend the term of the Original Contract to April 30, 2006; and

WHEREAS, on April 28, 2006, the Authority and Contractor agreed to amend the Original Contract (hereafter, the "4th Amendment") to extend the term of the Original Contract to May 31, 2006; and

WHEREAS, on May 10, 2006, the Authority and Contractor agreed to amend the Original Contract (hereafter, the "5th Amendment") to extend the term of the Original Contract to October 31, 2006; and

WHEREAS, on October 30, 2006, the Authority and Contractor agreed to amend the Original Contract (hereafter, the "6th Amendment") to extend the term of the Original Contract to May 30, 2007; and

WHEREAS, the Original Contract, as amended by the 1st Amendment, the 2nd Amendment, the 3rd Amendment, the 4th Amendment, the 5th Amendment and the 6th Amendment, are collectively referred to herein as the "Contract"; and

WHEREAS, Authority and Contractor desire to modify the Contract on the terms and conditions set forth herein.

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. **Modifications to the Agreement**. The Contract is hereby modified as follows:

   (a) **Section 5.** Section 5 of the Contract currently reads as follows:

   > Unless further extended in writing authorized by the Authority's Board of Directors, this Contract shall expire on May 30, 2007. Any extension shall be on the same terms, conditions, and specifications as the original Contract, except as provided for herein.

Such section is hereby amended in its entirety to read as follows:

Unless further amended in writing authorized by the Authority's Board of Directors in its sole and absolute discretion, this Contract shall expire on the earlier of (i) the effective date of the Navy's transfer of TI-YBI to the Authority or (ii) May 31, 2009. Any extension shall be on the same terms, conditions, and specifications as the existing Contract, except as provided for herein.

2. **Effective Date**. Each of the modifications set forth in Section 1 shall be effective on and after May 30, 2007, unless otherwise provided. Notwithstanding the foregoing, the effectiveness of this Amendment is conditioned upon the Authority Board's approval of this Amendment in its sole and absolute discretion.

3. **Legal Effect**. Except as expressly modified by this Amendment, all of the terms and conditions of the Contract shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY **Treasure Island Development Authority, a public body corporate and politic** By _____ Mirian Saez, Director of Island Operations Dennis J. Herrera City Attorney By _____ Deputy City Attorney	**CONTRACTOR:** **Golden Gate Disposal & Recycling Company, a California corporation** By signing this Amendment, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off. By: _____ Name: _____ Title: _____ Date: _____

AGENDA ITEM 11
Treasure Island Development Authority
City and County of San Francisco
Meeting of April 11, 2007

Subject: Approving the Recommendations for the Expenditure of the Community Benefits Fund (Action Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0669

BACKGROUND

On November 9, 2005, the Treasure Island Development Authority Board (Authority Board) approved Resolution #05-041-11/09, directing Project Staff and the Mayor's Office of Neighborhood Services (MONS) to engage in a community outreach process for the purpose of establishing priorities for expenditure of the Community Benefits Fund for the Treasure Island community. The Community Benefits Fund was established utilizing funds that the developer paid to the Treasure Island Development Authority (TIDA) as reimbursement for redevelopment planning costs that TIDA incurred in fiscal year 2005-2006. See Exhibit A. On June 1, 2006, Jack Sylvan of the Mayor's Office of Base Reuse and Development sent the first of two invoices seeking reimbursement from the developer of fiscal year 2005-2006 planning expenditures in the amount of $466,812. The second invoice in the amount of $588,432 was sent January 22, 2007. The total amount available for the Community Benefits Fund is therefore $1,055,244. See Exhibit B.

Under the guidance of Daniel Homsey, Director of the Mayor's Office of Neighborhood Services and Joanne Sakai, Deputy Executive Director of the San Francisco Redevelopment Agency acting in her capacity as interim TIDA Executive Director, several public meetings were held to gather information from the community. The purpose of the meetings was to create a list of needs identified by the community that could be addressed or remedied through a one-time expenditure of the Community Benefits Fund (Exhibit C). In addition, numerous internal meetings were held with stakeholders in order to guide the process and chart progress. Stakeholders active throughout the process were TIDA, the Treasure Island Homeless Development Initiative (TIHDI), The John Stewart Company (JSCo), and the San Francisco Islands Community Association (SFICA). For the purpose of this process, the collective stakeholders were named T.I. United.

T.I. United took on the task of compiling the needs and wants of the community. Some of the items from this initial list could be addressed immediately by one or several of the T.I. United stakeholders. The gymnasium, which had been a concern of the residents from the beginning, was removed from the list given that the YMCA was to assume operations of the Gymnasium in August of 2006. The remaining items were categorized into activities, programmatic and capital projects and then prioritized. The process by which the needs and wants of the Island community were identified and prioritized was iterative.

The Process

The first community meeting was held on December 3, 2005 to engage the community and allow the community to create an initial master "wish list". See Exhibit C

A second community meeting was held in March of 2005 to present the progress by T.I. United on the wish list. The group decided that a series of workshops dedicated to the specific community needs would be the best means to solicit feedback and to prioritize the wish list. These workshops were held in May and June of 2005 and refined the wish list further. Between these workshops, T.I. United met numerous times to analyze the items on the wish list and address priorities, redundancies, and remove items which did not fall within the scope of the task. TI United's work on the wish list was presented at the subsequent community meetings, keeping the community informed of the task and progress every step of the way. The list of the community and T.I. United meetings and workshops is attached as Exhibit D.

Public outreach to the residents for the community meetings was accomplished in four ways:

1. Flyers hand delivered to all units via the John Stewart Company; See Exhibit E.
2. Invitations posted on the two resident community websites 94130.net and 94130.com, and on the TIDA website.
3. Announcements placed prominently at the main gate to Treasure Island with all pertinent information.
4. Neighborhood canvassing and outreach conducted by SFICA.

At the conclusion of the workshops, the following Community Benefits Fund list was presented to Project Staff as the needs and priorities of the Island community.

Youth and Services Workshop

1. Library
2. Playground
3. Affordable Day Care
4. Extra Curricular Activities for the Youth
5. Tutoring and Mentoring programs for the Youth
6. Treasure Island Movie Night
7. Skate Board Park
8. Lights on the Tennis Courts

Economic Development Workshop

9. A General store
10. Crafts Stalls/Small Business Fund

Services Workshop

11. Shuttle Service
12. Dog Run

In September 2006 when Mirian Saez became Director of Island Operations, one of her first tasks was to review the list of community needs and priorities, and begin the planning process.

On December 19, 2006, Ms. Saez and TIDA Project Staff met with City Librarian Luis Herrera to discuss the potential of a San Francisco Public Library Treasure Island branch, consistent with item #1 on the list. After discussing all of the options, it was agreed that a library or any variation was too costly, requiring a significant amount of capital to establish and on-going capital to sustain. Mr. Herrera agreed, however, to find a creative way to bring books to the Island--perhaps modeling the Netflix system, at no cost to the Island. As a result of this meeting, the library item was then removed from the list as a Community Benefit Fund expenditure.

The Treasure Island Movie Night, item # 6, is supported by a $3000 grant provided by Comcast to TIHDI to purchase equipment for community movie nights. These funds area available to an on Island entity who is willing to organize and operate such a program. As a result, this item was removed from the list as a Community Benefit Fund expenditure.

The Lights on the Tennis Courts, item #8, were repaired in September of 2006. The Dog Run, item #12, as well as other pet issues are in the process of being organized by SFICA. Hence, items #8 and #12 were removed from the list for Community Benefit Fund expenditure.

The Shuttle, item #11, and General Store, item #9, would be most effectively addressed by rerouting the Muni 108 bus to King Street, where residents would have access to the Safeway, the Mission Bay Library, as well as a variety of other stores and restaurants. Ms. Saez has begun a dialogue with the Municipal Transportation Agency to ensure that Treasure Island is part of the Transit Effectiveness Program and to ensure that the community is given an opportunity to voice their demands on the routing.

On January 26, 2007, Ms. Saez met with Executive Director Sherry Williams of TIHDI to review the Community Benefit Fund expenditure list. Both Ms. Saez and Ms. Williams agreed that the list was an accurate reflection of the community's needs. Parties agreed that funding Kidango would provide residents the opportunity for affordable day care, item #3. Parties also agreed that funding The Boys and Girls Club would address the need for tutoring and mentoring of Island youth, items # 4 and #5. The Boys and Girls Club serves all Island youth. And lastly, the two agreed that funding the TIHDI Self Sufficiency Program would provide needed economic development opportunities to those most in need of assistance, both program and non-program members, item #10.

The skateboard park is being created with donated ramps and equipment from the Department of Recreation and Parks, as well as donated labor from on Island entities such as Glide, and Job Corps. The course itself is a street course and requires less equipment than a bowl course. Besides creating a benefit to the Treasure Island residents, it will also be a benefit to the skateboarding community as a whole, city wide. Although originally presented to the Authority Board in March as $30,000, Project Staff has increased the amount to $61,000 to reflect the $31,000 fee from San Francisco Department of Recreation and Parks for moving the equipment from the Port of San Francisco to Treasure Island.

After further review of the Community Benefit Fund list, Project Staff identified an important missing item: community need for emergency preparedness. While this item was not specifically requested by the community, there can be no doubt about its benefit for all Island residents.

Additionally, Project Staff would request that a small fund of $10,000 be made available to the community to underwrite such community events as the Day of Thanks, the Festival of Lights and a Treasure Island Community Kite Flying Contest. Theses funds would only be drawn with the approval of the Director of Island Operations who shall report such expenditures to the Authority Board on a monthly basis.

The following Community Benefit Fund list for expenditures in 2007 are recommended by Project Staff.

	Fiscal Year 2006-07	**2007-08**
1. The Playground Site to be Determined		$289,000
2. Kidango for Affordable Childcare Exhibit F	$25,000	
3. The Boys and Girls Club For Extra curricular activities such as tutoring, mentoring, and mental health programs for youth Exhibit F	$80,000	
4. Skate Board Park Site to be determined/Street Course		$61,000
5. TIHDI Self Sufficiency Program For Crafts Stalls/Small Businesses Economic Development Exhibit F	$50,000	
6. Emergency Preparednes For planning and supplies	$30,000	$75,000
7. Community Events Fund To underwrite community events		$10,000
	$185,000	**$435,000**
Total		**$620,000**

With the exception of the General Store, all items from TI United's wish list have been addressed, fulfilling the directive of Resolution 05-041-11/09. Any remaining balance of the Community Benefit Fund will be carried over to fiscal year 2007/2008, at which time any further identified needs will be brought to the Authority Board for review and approval.

There will be three mechanisms utilized for the expenditure of funds. Community Benefit Fund grants to Kidango, The Boys and Girls Club and TIHDI will be documented using a Grant Agreement that is consistent with the City's grant procedures. Community Benefit Fund expenditures to departments such as DPW, Recreation and Parks and Office of Emergency Services will be documented using Work Orders or Memorandum of Understandings. Community Benefit Fund expenditures to private vendors for items such as the Playground and Emergency Preparedness supplies will be consistent with TIDA's Purchasing Policy and Procedures.

All of the recommendations and questions by the Authority Board from the March 14th, 2007 meeting are incorporated in this staff report.

RECOMMENDATION

Project staff recommends approval of the outlined expenditures from the Community Benefit Fund.

EXHIBITS

Exhibit A	Resolution 05-041-11/09
Exhibit B	Letters requesting reimbursement from TICD
Exhibit C	Spread Sheet from December 3, 2005 Town Hall Meeting
Exhibit D	A full list of the community and internal T.I. United meetings
Exhibit E	Copy of Flyer sent to community regarding workshops
Exhibit F	Letters requesting Funds from TIHDI, Kidango, Boys and Girls Club

Prepared by: Marianne Mazzucco Thompson, Public Information Officer
For: Mirian Saez, Director of Island Operations

[Expenditure of Community Benefits Fund]

Resolution Authorizing the Director of Island Operations to Expend $620,000 from the Community Benefits Fund

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, On November 9, 2005, the Treasure Island Development Authority Board (Authority Board) approved Resolution #05-041-11/09, directing TIDA Project Staff and the Mayor's Office of Neighborhood Services (MONS) to engage in a community outreach process for the purpose of establishing priorities for expenditure of the Community Benefits Fund to benefit the Treasure Island residents; and,

WHEREAS, TIDA Project Office staff, the Mayor's Office of Neighborhood Services, the Treasure Island Homeless Development Initiative, the San Francisco Islands Community Association and the John Stewart Company have worked collaboratively since that time to identify the needs and wants of the community on Treasure and Yerba Buena Islands; and

WHEREAS, Several public community meetings and workshops were held over the past year to allow the Islands residents and community to provide input into the process of identifying the needs and wants of the community; and,

WHEREAS, This process has yielded a list of seven items for which a portion of this fund should be expended: an on-Island playground, a grant to the Kidango Child Care Center, a grant to the Boys and Girls Club Treasure Island Unit, a skateboard park, a grant to the Treasure Island Homeless Development Initiative, on-Island emergency planning and preparedness, and a fund for Island community events; and,

WHEREAS, Community Benefit Fund grants to Kidango Child Care Center, The Boys and Girls Club Treasure Island Unit and the Treasure Island Homeless Development Initiative will be documented using a Grant Agreement that is consistent with the City's grant procedures; and,

WHEREAS, Community Benefit Fund expenditures to City departments such as DPW, Recreation and Parks and Office of Emergency Services will be documented using Work Orders or Memorandum of Understandings; and,

WHEREAS, Community Benefit Fund expenditures to private vendors for items such as the playground and emergency preparedness supplies will be consistent with the Authority's Purchasing Policy and Procedures; and,

WHEREAS, The remaining balance of this Community Benefit Fund will be carried over to Fiscal Year 2007-2008, with Authority Board approval required for additional expenditures from this fund; Now Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to expend Five Hundred Ninety Thousand Dollars ($620,000) from the Community Benefits Fund for the seven specific items listed above as needed benefits and services for the Treasure and Yerba Buena Islands community.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 11, 2007.

_____
John Elberling, Secretary

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RESOLUTION NO. 05-041-11/09

[Directing Community Outreach Process for Allocating TIDA Funds.]

Resolution Directing Staff to Engage in a Community Outreach Process to Establish Priorities for Expenditure of the Funds to Benefit the Treasure Island Community.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, Following an extensive competitive solicitation process, on March 20, 2003, the Authority Board determined that the proposal (Proposal) submitted by Treasure Island Community Development, LLC (TICD) in response to a Request for Proposal (RFP) issued by the Authority met the criteria set forth in the RFP, and authorized the Authority's Executive Director to enter into exclusive negotiations with TICD regarding the redevelopment

of the Base in a manner consistent with TICD's Proposal, the Staff Summary, the Reuse Plan, and the EIS/EIR, subject to the Authority's separate approval of an Exclusive Negotiating Agreement ("ENA"); and

WHEREAS, On April 9, 2003, this Board of Directors authorized the Executive Director to execute an Exclusive Negotiating Agreement ("ENA") with TICD setting forth the terms and conditions related to the preparation and approval of transaction documents for the redevelopment of the Base, including but not limited to the subject of the negotiations, the term of the exclusive negotiation period and options to extend the term, the allocation and responsibilities related to transaction costs associated with the negotiations, the obligations of TICD and the Authority during the negotiation period, the financial guarantee required to cover TICD's obligations under the ENA, and a schedule of performance for completion of the transaction documents; and,

WHEREAS, On September 14, 2005, this Board of Directors authorized and approved the First Amended and Restated Exclusive Negotiating Agreement between the Authority and TICD (the "Amended ENA"); and,

WHEREAS, The Amended ENA allows the Authority to require TICD to pay certain Transaction Costs, as defined in the Amended ENA, and the Authority wishes to exercise such right to payments for Transaction Costs incurred; and

WHEREAS, This Board of Directors has adopted a resolution directing Authority staff seek reimbursement of approximately $1,000,000 allocated in the Authority's FY 05-06 budget that qualify as Transaction Costs pursuant to the Amended ENA; and

WHEREAS, The Controller's Office is currently conducting a management audit of the Authority at the request of this Board of Directors, and such management audit may lead to additional revenue opportunities and/or cost savings; and,

WHEREAS, The Authority Board wishes to direct the Authority staff to work with the Mayor's Office of Neighborhood Services to facilitate an island-wide community process with the goal of establishing priorities for the expenditure of any new Authority resources for the benefit of the island community; now therefore be it,

RESOLVED, That the Authority directs staff to work with the Mayor's Office of Neighborhood Services to facilitate a community outreach and planning process to establish priorities for directing the funds on the island for things including, but not limited to, improving parks and recreation facilities, the Treasure Island School, to support the important work of the Treasure Island Homeless Development Initiative, or to bring important services to the island like a general store.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on November 9, 2005.

Susan Po-Rufino, Secretary

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CITY & COUNTY OF SAN FRANCISCO

OFFICE OF BASE REUSE AND DEVELOPMENT
CITY HALL ROOM 448
1 DR. CARLTON B. GOODLETT PLACE
SAN FRANCISCO, CA 94102
415 554 8315 FAX 415 558 7844

GAVIN NEWSOM, MAYOR

January 22, 2007

Treasure Island Community Development, LLC
c/o Stephen Proud
Lennar
49 Stevenson, Suite 600
San Francisco, CA 94105

Subject: Transaction Cost Report for Reimbursement for TIDA Transaction Costs – January 1, 2006 through June 30, 2006

Mr. Proud:

Pursuant to Section 3.2 Authority City Costs (b) Transaction Costs of the Amended And Restated Exclusive Negotiation Agreement, the Developer, Treasure Island Community Development, has agreed to pay a portion of the Authority's Transaction Costs in an amount not to exceed Four Million Dollars ($4,000,000) during the Exclusive Negotiation Period, including extensions (the "Authority Reimbursement Cap").

Subject to this agreement, the Authority is submitting the following Transaction Cost Report in the amount of $588,432.34 for services incurred by the Authority during the period from January 1, 2006 through June 30, 2006 in accordance with the Agreement. These costs are summarized as follows:

	Amounts Paid	Inv#	Invoice Period	Date Processed	Totals
CONSULTANT CATEGORY:					
Geomatrix					
	14,806.25	42909	12/30/05 thru 1/26/06	3/6/2006	
	8,146.68	43164	1/27/2006 thru 2/23/06	3/6/2006	
	12,440.12	44001	2/24/06 thru 3/30/06	5/16/2006	
	10,877.20	44678	03/31/06 thru 4/27/06	6/6/2006	
	10,928.75	45223	04/28/06 thru 05/25/06	8/11/2006	
	22,547.50	46277	05/26/06 thru 06/29/06	8/11/2006	
					79,746.50
EPS					
	9,443.02	2100.35	1/01/06 thru 1/31/06	3/6/2006	
	15,902.72	2100.36	2/01/06 thru 2/28/06	5/3/2006	
	13,520.05	2100.37	3/01/06 thru 3/31/06	5/11/2006	
	4,155.00	12100.38	4/1/06 thru 4/30/06	Pending	
	8590.33	12100.39	5/1/06 thru 5/31/06	8/11/2006	
	2,863.30	12100.41	6/1/06 thru 6/30/06	Pending	
					54,475.42

URS					
	11,472.21	235810	12/17/05 thru 06/16/06	8/11/2006	
					11,472.21
Nelson/Nygaard (1)					
	6,968.97	0002380-IN	1/1/06 thru 1/31/06	4/10/2006	
	1,863.99	0002476-IN	2/1/06 thru 2/28/06	4/10/2006	
	2,355.00	0002626-IN	3/1/06 thru 3/31/06	6/28/2006	
	3,089.29	0002756-IN	4/1/06 thru 4/30/06	Pending	
	3,766.64	0002870-IN	5/1/06 thru 5/31/06	Pending	
	1,050.00	0003014-IN	6/1/06 thru 6/30/06	Pending	
					19,093.89
CH2MHILL					
	21,242.02	5036606	thru 10/28/06	6/28/2006	
					21,242.02
Public Financial Management (2)					
	28,825.00	068531-0-0	7/1/2005 thru 7/31/06	12/20/2006	
					28,825.00
				Subtotal	**214,855.04**

CITY DEPARTMENT CATEGORY:

Department of the Environment		**10,000.00**
DPW Infrastructure Development & Acquisition Taskforce (3)		**19,278.00**
City Attorney's Office		**190,506.77**
San Francisco Redevelopment Agency (4)		**2,637.49**
Mayor's Office of Base Reuse		**151,155.04**
	Subtotal	**373,577.30**
TOTAL REIMBURSEMENT		**$588,432.34**

(1) Via contract through SF County Transportation Authority
(2) Via contract through Mayor's Office of Public Finance
(3) DPW IDAT Contracted with Environmental & Construction Solutions for cost estimate review
(4) Staff time of Kurt Fuchs, Tom Evans & Nicole Franklin

Per Section 3.2(b) of the ENA, the Developer shall pay to the Authority within 30 days receipt of the Transaction Cost Report the amount of the Transaction Costs set forth therein.

Please remit payment to:
Michael Cohen
Office of Base Reuse and Development
City Hall, Room 448
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Please contact me with any questions at (415) 554-5313.

Regards,

Jack Sylvan
Office of Base Reuse and Development

With copies (w/o enclosure) to:

Jay Wallace
KSWM
One Ferry Building, Suite 350
San Francisco, CA 94111

Kheay Loke
KSWM
4 Embarcadero Center, Suite 3330
San Francisco, CA 94111

Eileen Malley
Office of the City Attorney
City Hall, Room 234
San Francisco, CA 94102-4682

CITY & COUNTY OF SAN FRANCISCO

OFFICE OF BASE REUSE AND DEVELOPMENT
CITY HALL ROOM 448
1 DR CARLTON B. GOODLETT PLACE
SAN FRANCISCO CA 94102
415 554 5313 FAX 415 554 6018

GAVIN NEWSOM, MAYOR

June 1, 2006

Treasure Island Community Development, LLC
c/o Stephen Proud
Lennar
49 Stevenson, Suite 600
San Francisco, CA 94105

Subject: Transaction Cost Report for Reimbursement for TIDA Transaction Costs – July 1, 2005 through December 31, 2005

Mr. Proud:

Pursuant to Section 3.2 Authority/City Costs (b) Transaction Costs of the amended And restated Exclusive Negotiation Agreement, the Developer, Treasure Island Community Development, has agreed to pay a portion of the Authority's Transaction Costs in an amount not to exceed Four Million Dollars ($4,000,000) during the Exclusive Negotiation Period, including extensions (the "Authority Reimbursement Cap").

Subject to this agreement, the Authority is submitting the following Transaction Cost Report in the amount of $466,812.08 for services paid by the Authority during the period from July 1, 2005 through December 31, 2005 in accordance with the Agreement. These costs are summarized as follows:

CONSULTANT CATEGORY:	Amounts Paid	Inv#	Invoice Period	Date Processed	Totals
Geomatrix	12,336.06	39203	7/01/2005 thru 7/28/2005	9/28/2005	
	12,164.18	39526	7/29/2005 thru 8/25/2005	9/28/2005	
	15,471.03	40325	8/26/2005 thru 9/29/2005	11/15/2005	
	18,228.79	41144	9/30/2005 thru 10/27/2005	2/1/2006	
	6,758.75	4850.005	10/28/2005 thru 11/24/2005	1/5/2006	
	15,726.46	42197	11/25/2005 thru 12/29/2005	2/1/2006	80,685.27
EPS	3,969.22	12100.29	7/01/2005 thru 7/30/2005	8/31/2005	
	566.25	12100.3	8/01/2005 thru 8/31/2005	10/7/2005	
	2,770.00	12100.31	9/01/2005 thru 9/30/2005	10/24/2005	
	12,957.62	12100.32	10/01/05 thru 10/31/2005	5/30/2006	
	4,967.50	12100.33	11/01/2005 thru 11/30/2005	1/3/2006	
	13,679.89	1200.34	12/01/2005 thru 12/31/2005	2/1/2006	38,910.48
URS	4,353.21	1815204	6/17/2005 thru 7/15/1005	8/4/2005	
	4,129.82	1857198	7/16/2005 thru 8/12/2005	8/30/2005	
	2,264.07	1925437	8/13/2005 thru 9/16/2005	10/7/2005	
	901.53	2096820	9/17/2005 thru 12/16/05	1/5/2006	11,648.63

	Amounts Paid	Inv#	Invoice Period	Date Processed	Totals
Nelson/Nygaard (1)	6,882.50	0002165-IN	11/1/05 thru 11/30/05	4/10/2006	
	12,765.00	0002324-IN	12/1/05 thru 12/31/05	4/10/2006	19,647.50
				Subtotal	150,891.88
CITY DEPARTMENT CATEGORY:					
Department of Public Works			Causeway/Viaduct Study Local Match		135,000.00
City Attorney's Office					40,560.00
San Francisco Redevelopment Agency (2)					1,046.63
Mayor's Office of Base Reuse					139,313.57
				Subtotal	315,920.20
TOTAL REIMBURSEMENT					$466,812.08

(1) Via contract through SF County Transportation Authority
(2) Staff time of Kurt Fuchs and Tom Evans

Per Section 3.2(b) of the ENA, the Developer shall pay to the Authority within 30 days receipt of the Transaction Cost Report the amount of the Transaction Costs set forth therein.

Please remit payment to:
Jack Sylvan
Mayor's Office of Base Reuse and Development
City Hall, Room 448
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Please contact me with any questions at (415) 554-5313.

Regards,

Jack Sylvan
Mayor's Office of Base Reuse and Development

With copies (w/o enclosure) to:

Jay Wallace
KSWM
One Ferry Building, Suite 350
San Francisco, CA 94111

Kheay Loke
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4 Embarcadero Center, Suite 3330
San Francisco, CA 94111

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Governance			
Issue	**Priority**	**Department**	**Status**
Tennancy - enforcement of rules uniformly		John Stewart Co. / TIHDI	
Caltrans - Took fire station down for 3M, where is the money, where is firehouse?		CalTrans	
Rent $ to general fund should come back			
Input in planning / redevelopment / budget			
Notice of meetings / more outreach / more timely			
Navy meetings		NAVY	
TIDA meetings on island / notice		TIDA	
CAB meetings on island / more residents on TIDA/CAB			
Open accessible process to manage budget / budget clarity and funding better appropriation of resources			
Governance / more imput			
The developers $1.8 million / how will it be spent?		TIDA Board	
Communications / within community / with TIDA / Improve facilities to facilitate communications		TIDA	
SFICA - 501 C3 designation		SFICA	
TIDA administrator / responsive to community / voice in choosing administrator		TIDA	
Outreach / communications / more effective communications, resources, events / media / coordination of info / signboard at more visible sight / info line		TIDA	
Transportation - impact on enterprise and access to services / delays due to retrofit / better communications with State/Fed		CalTrans	
Transition on TI/YBI / explanation of rights / credits / priorities / afordability / subsidies			

Public Safety & Health			
Issue	Priotrity	Department	Status
Yield sign at entrance		DPT	
Tourist safety at gate - better road markings and signs (crosswalk by gate)		DPT/SFPD	
Police and Fire protection - updated fire equipment / greater police presence / crime stats		SFPD / SFFD	
Emergency Response (ECD)		ECD	
More patrols of abandoned buildings / clean abandoned buildings / rodents / crime / safety		SFPD	
Dog fights on YBI		SFPD	
Leash law enforcement - signage / bags / receptacles		SFPD	
MUNI - crime and disturbance on bus and terminals		SFPD / MUNI	
Lighting - fix street lights / add more / motion sensor		DPW	
Homeless - encampment and car		SFPD	
YBI / TI Rodents, feral cats, raccoons		DPH	
School safety issues / busing kids and safety of kids			
Feral cats / on Yuerba Buena Island and Treassure Island		Animal Care and Control	
Better road markings and signs at gate - enterance		DPT	
Community Health - DPH Programs		DPH	
Caltrans - exit, entrance / better ramps / better signage		CalTrans	
Property management - mice in vacant buildings / broken window in vacantbuildings		NAVY/TIDA	
Toxicity in island / knowledge of water quality safety		Jim Sullivan (RAB meeting every other month)	

Youth & Quality of Life			
Issue	**Priority**	**Department**	**Status**
Affordable Daycare		DCYF & (First 5)	
Bowling Alley / Fix the Pool (heated) / skateboarding park			
Bookmobile library w/ schedule		SF Library	
Rec / Gym - gym, bathroom / showers as community center / childrens playground		Rec & Park	
Religious institutions - dedicated location			
Children - family park / playground / max use of city resources / organized sports / league sports / more after school activities / mentoring / community involvement / resources		Rec & Park	
Community meeting space / WiFi, newspapers, longer hours			
Dedicated arts / performance venue			
Short term leases or service providers			
Mobile trucks?			
Marketing organic gardening			
Portable buildings for enterprises			
More community gatherings on island		TIDA/TIHDI/SFICA	
Community Health - DPH Pprograms		DPH	
Dog run		Rec & Park	
Property management - leaky bathrooms		John Stewart Co. / TIHDI	
Community newsletter		TIDA/TIHDI/SFICA	

Services			
Issue	Priority	Department	Status
MUNI - better schedule / better routes / on time / advance notice of changes / crime and disturbance on bus and terminals		MUNI	
funding for gym staff			
equipment and exercise			
dedicated athletic field			
tennis courts and lights			
Who's who - directory of personnel, groups, description of services / resource guide / accountability		TIDA	
Trash cans - garbage left on street (residents and sanitary workers)		TIDA (Marc)	
Gas stations air pumps			
Improved common area maintainance / visible to street as well as not visible to street.		TIDA (Marc)	
Fix roads / Ave. B, Ave. J, Ave. of Palms, Ave. M, Gateview		DPW (Avo)	
More bus shelters		MUNI	
Better cell phone service			
Community Health - DPH Programs		DPH	
Garbage / increase frequency of neighborhood clean up / increase number of large dumpsters		TIDA (Marc)	
Property management - light bulbs - unstable electricity		John Stewart Co. / TIHDI	

Economic Development			
Issue	**Priority**	**Department**	**Status**
Jobs on the Island			
Café - longer hours / wifi / newspapers			
General level of services / general store / food salon, etc delays due to retrofit			
Retail / gas station / grocery store			
Enterprise and self sufficency / general store / farmers market / craft fair / flea market / Co-op residents / retail center / Food Bank (increase to 2 times a week) / increase quality of food / Renaissance contact / special events / employ island residents			
Laundromat - triple loader			
Enterprise Zone / speed permitting process			
Ship Shape - expand / renovate			

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Exhibit D

December 3 Town Hall meeting
The community created a master wish/needs list under five categories Youth, Governance, Services, Public Safety, and Economic Development.
Individuals present, Marc McDonald (TIDA), Reggie Harriston (JSCo), Emily Rappaport (SFICA), Daniel Homsey (MONS), Adrian Harper (TIHDI), Marianne Thompson (TIDA), Joanne Sakai (TIDA), Sherry Williams (TIHDI), and 35 members of the community.
Exhibit B

December 8 TI United meeting
Meeting held with TIHDI and TIDA to discuss the community's wish list and to asses which items could be handled in the immediate, such as street lighting and pot holes.
Individuals present, Joanne Sakai (TIDA), Marc Mc Donald (TIDA), Adrian Harper (TIHDI), Sherry Williams (TIHDI), Marianne Thompson (TIDA)

January 9 TI United meeting
Meeting held at TIHDI to review Town Hall spread sheet and to remove items related to leasing such as leaky faucets and refuse collection.
Individuals present, Marc McDonald (TIDA), Reggie Harriston (JSCo), Adrian Harper (TIHDI), Sherry Williams (TIHDI), Marianne Thompson (TIDA)

January 11 TI United meeting
A third review of the list to refine it more and to create an overall strategy for further vetting the list. A decision was made to hire a facilitator to assist TI United with the process as well as to facilitate future community meetings.
Individuals present, Daniel Hemsey (MONS), Reggie Harriston (JSCo), Emily Rappaport (SFICA), Adrian Harper (TIHDI), Marianne Thompson (TIDA), Joanne Sakai (TIDA), Sherry Williams (TIHDI)

February 17 TI United meeting

The community's list was presented to Yolanda Alindor, the facilitator. A strategy was created for prioritizing Island needs through a series of community workshops, as well as an educational process for the community with regards to TIDA's budget, and the future redevelopment of the Island. A few of the items on the list showed a lack of the community's understanding of the budget process as well as the impact the future development had on the present day.
Individuals present, Marc McDonald (TIDA), Reggie Harriston (JSCo), Emily Rappaport (SFICA), Daniel Homsey (MONS), Adrian Harper (TIHDI), Marianne Thompson (TIDA), Don Hughes (SFICA), Yolanda Alindor

February 18 The Department of Children Youth and Family Services (DCYF)
DCYF Hosted a community meeting to gather information on prioritization of children's needs and subsequent DCYF funding on the Island. DCYF's final list had tutoring, mentoring and mental health with in its top five requests.
Individuals present, Marianne Thompson (TIDA), Yvette Phillips-Aldama (TIHDI), Emily Rapaport (SFICA), and 23 community members

March 1 TI United meeting
In an effort to address facilities and infrastructure issues from the community's list a meeting was held with members of various city agencies to asses priorities, and assign tasks, as well as to achieve these goals and stay within TIDA's budget.
Individuals present, Mario Montoya, Department of Public Works (DPW), Jason Chan MONS, Jeff Hamilton, Municipal Transportation Agency (MTA), Bryant Woo Department of Parking and Traffic (DPT), Marc Mc Donald (TIDA), Juan Garcia MTA Paint Shop, Reginald Harriston (JSCO), Avo Sarkissan (DPW), Patrick Stanahan San Francisco Fire Depratment (SFFD), Sgt. Michael Burkley San Francisco Police Department (SFPD), Mike Macario (MTA), Noel Laffey (DPT), Patrick Malleydaly (DPT), Marianne Thompson (TIDA), Yolanda Alindor

March 14 TI United meeting

Following up on the city agencies meeting, a further review and refinement of the community's list was held. During this meeting it was agreed that future monthly, community meetings would have a representative from each organization or city agency to explain where TI United was in the process of the community list as well as any actions taken. Further, it was agreed that Governance would be removed from the list as residents on the Island should have the same level of access to government as residents in the city, no more and no less.
Individuals present, Marc McDonald (TIDA), Reggie Harriston (JSCo), Emily Rappaport (SFICA), Daniel Homsey (MONS), Adrian Harper (TIHDI), Marianne Thompson (TIDA), Yolanda Alindor

March 15 TI United/Community meeting
Update given to the community with revised spread sheets, and types of workshops proposed. After community input, three days were selected for the community workshops.
Individuals present, Yolando Alindor, Marianne Thompson (TIDA), Emily Rapaport (SFICA), Yvette Phillips-Aldama (TIHDI), and 21 community members.

March 24 TI United meeting
The stakeholders worked with the facilitator to organize the content and format of the workshops.
Individuals present, Reggie Harriston (JSCo), Emily Rappaport (SFICA), Daniel Homsey (MONS), Marianne Thompson (TIDA), Yolanda Alindor

April 3 TI United meeting
Meeting held to organize outreach to the community for the three workshops.
Individuals present
Reggie Harriston (JSCo), Emily Rappaport (SFICA, Marianne Thompson (TIDA)
Exhibit C

May 11 TI United Workshop
Youth and Services Workshop

The facilitator and members of TI United met with children and parents who live on the Island reviewing and prioritizing the youth and services list.
Individuals present, Yolanda Alindor, Marianne Thompson (TIDA), Emily Rapaport (SFICA), Yvette Phillips-Aldama (TIHDI), and ten residents

May 18 TI United workshop
Economic Development
Members of TI United met with residents to review the Economic Development list, and to prioritize it.
Individuals present, Marianne Thompson (TIDA), Emily Rapaport (SFICA), Yvette Philips-Aldama (TIHDI), and four residents

June 22 TI United workshop
Services
Members of TI United met with residents to review the Services list, and to prioritize it.
Individuals present, Marianne Thompson (TIDA), Emily Rapaport (SFICA), Yvette Philips-Aldama (TIHDI), and four residents

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Upcoming Workshops

May 11th - Youth Workshop - 6 pm - Ship Shape

May 18th - Economic Development Workshop - 7 pm - Ship Shape

June 22nd - Services and Communications Workshop - 7 pm - Ship Shape

Note: All Workshops are essential to the prioritizing and budgeting of the developer reimbursed funds, Your participation is necessary and will be greatly appreciated.

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Treasure Island Homeless Development Initiative (TIHDI)
Proposal to the Treasure Island Development Authority
for the Economic Self Sufficiency Program (ESSP)

Proposal Summary

The Treasure Island Homeless Development Initiative (TIHDI) is requesting support from the Citibank Foundation to implement our new Economic Self-Sufficiency Program (ESSP) for residents on Treasure and Yerba Buena Islands.

Treasure Island is home to more than 650 formerly homeless people. As of 2006, over 300 of the island's formerly homeless residents have lived here for three years or more. With their housing stabilized and their lives less driven by the day-to-day crises so inherent to homelessness, many residents are eager to work towards building greater economic security and financial freedom. The ESSP, initially envisioned by TIHDI's current core of Treasure Island Creative Network (TICN) leaders, will offer residents a comprehensive financial education program by building on TICN's initial micro-enterprise focus and incorporating asset building education and support as well as financial literacy training. **Through the ESSP, we will build a network of island residents who are committed to increasing their financial health and to building a more secure future for themselves and their families. A grant of $50,000 from the Treasure Island Development Authority will support TIHDI in this first year of ESSP program implementation.**

Applicant Organization

The mission of the Treasure Island Homeless Development Initiative (TIHDI, pronounced "tie-dye") is to provide exits from homelessness and other assistance for economically disadvantaged families and individuals through housing, employment, economic development, and support service opportunities on Treasure and Yerba Buena Islands.

A collaboration of community-based organizations, TIHDI negotiated the homeless assistance component of the federally approved plan for the re-use of Treasure Island, a former Navy base located in the middle of San Francisco Bay. This plan includes specific opportunities for TIHDI member agencies to develop and operate subsidized transitional and permanent housing for homeless individuals and families. TIHDI worked with the Navy, the City of San Francisco, multiple funders and a market rate housing provider (the John Stewart Company) to develop a housing plan that integrates formerly homeless with market-rate residents. As a result more than 650 formerly homeless TIHDI residents are now integrated with open-market renters and currently comprise 23 percent of the residents of Treasure Island.

With a goal of creating an integrated, healthy and desirable community TIHDI also works to develop the "fabric" of community life by providing this new Treasure Island neighborhood with services common to older, more established neighborhoods. To ensure input from residents of diverse socio-economic backgrounds, TIHDI periodically surveys *all* residents, those clients and residents of TIHDI member agencies as well as market-rate renters, and then organizes strategic planning efforts driven by the needs and interests articulated.

For example, in addition to the renovation and occupation of 196 supportive housing units for homeless people, TIHDI has advocated for and secured increased MUNI services; raised funds to

renovate the island's childcare center and recruited an operator that now serves 100 children 0 to 5 years old; secured funds for after school and summer youth programs provided by the Boys and Girls Club; developed a Family Support Service Center for families in supportive housing; advocated for and received recreation funds for island resident recreation activities; advocated for the renovation of the island's gymnasium and subsequent recreational programming; and organized weekly food pantries, support groups, health outreach and clinics, community meetings, movie nights, and community wide events including an annual neighborhood festival. Last year, TIHDI seeded the development of a new neighborhood association: the San Francisco Islands Community Association (SFICA) created by residents to involve whole island community in improving the quality of life for all who live and work on the island.

TIHDI also negotiated the right to place low-income residents in 25% of jobs created on Treasure Island which has resulted in over 100 job placements to date. As the development of Treasure Island unfolds many more jobs will become available for low-income San Francisco residents.

Finally, three years ago TIHDI established the Treasure Island Creative Network (TICN) to develop programs and resources to benefit the community while simultaneously providing opportunities for residents to explore entrepreneurial ideas to supplement and increase their personal incomes. Since program inception, TICN has hosted twelve events showcasing the entrepreneurial interests and talents of island residents. A group of eight TICN leaders now co-lead the program with TIHDI staff. The project for which we are seeking funding from TIDA, **the Economic Self-Sufficiency Program**, is a natural extension of TICN's initial focus on micro-enterprise development.

Statement of Need

Treasure Island is one of San Francisco's newest and most affordable neighborhoods. Poised for significant growth, it is home to approximately 850 households, including 650 formerly homeless individuals and families living in permanent supportive housing and 45 extremely low income families living in Section 8 housing. When people began moving to the island in 1999, whatever infrastructure had been there for the Navy was gone. Retail facilities were non-existent, and the same was true for recreational, health and social services. While there are plans to further develop the island, the current low population density attracts limited public and private resources. For these and other reasons, it has been critical to provide a variety of services to support the people who are making Treasure Island their home.

Housing retention for formerly homeless individuals and families has been particularly successful on Treasure Island and many have lived here for three to five years. Female heads of households comprise a majority of the families, some of who are on government assistance for permanent disabilities and some who are low-income wage earners. The private property management company, the John Stewart Company, has leased 45 units of housing to families with Section 8 certificates who have needs similar to those of the formerly homeless families.

Many of the households described above now have the housing, family and emotional stability to seek new opportunities for increased income and greater economic security and self-reliance, yet they lack the experience, knowledge and access to resources to do so. For some, their relationship to money has historically been based on spending or on making sure they don't earn too much to jeopardize their benefits and/or housing. The ESSP is designed to strengthen the position of this economically vulnerable population. This new program is a natural progression of the evolution of individual, family and community life on Treasure and Yerba Buena Islands.

Project Description: The Economic Self Sufficiency Program

The Economic Self Sufficiency Program's overarching goal is to assist all island residents in building long-term economic security. Towards that end, the program offers financial education, asset-building education and opportunities, and micro-enterprise development. Together, the program's three components embrace the following objectives:

1) Offer education to increase knowledge leading to better financial decisions;
2) Increase access to financial institutions and products;
3) Promote individual savings, asset building and investment;
4) Encourage financial literacy among individuals, youth and families;
5) Encourage mutual support and expand personal networks among residents;
6) Build the capacity of the island community by training community members (staff and other residents) to teach financial literacy; and
7) Assist and empower TICN participants interested in small business development to strengthen their entrepreneurial capacities.

To deliver proven curriculum, resources and services, TIHDI will partner with expert organizations in the fields of financial education, asset building and micro enterprise development. Partners with whom we've built relations to date include, but are not limited to: Renaissance Entrepreneurship Center, Bayview Business Resource Center, Bank On San Francisco, San Francisco Earn, Washington Mutual Bank and Wells Fargo Bank.

In an effort to boost island residents' financial literacy and to increase their practical money management skills, workshops will be offered by these (and other) partner organizations and individuals covering topics such as: money management (earning, spending, saving and investing); consumer credit and credit repair, budgeting, tax assistance; and banking. We will also offer workshops on child support geared towards custodial and non-custodial parents. A youth-focused financial literacy curriculum will be offered to youth and young adults aged between 15-23 years.

Additionally, partnerships will open up access to asset building strategies that provide residents with limited financial resources with information and financial incentives to help them plan and save towards continuing education, skills-training, self-employment and/or housing.

An important component of the program design is that TIHDI member agency staff will be trained in all topic areas prior to residents – both to build their own personal and professional knowledge and skills and to be better positioned to effectively mentor residents as they work to incorporate lessons learned in the trainings into their own lives.

Treasure Island Creative Network (TICN): Micro-Enterprise Development

The third component of the ESSP – micro-enterprise development – will build on the already well-established Treasure Island Creative Network (TICN). TICN is a collaboration of island residents and island based non profit organizations dedicated to creating economic opportunities for residents on Treasure and Yerba Buena Islands. The goals of TICN are to 1) support residents in income generating opportunities, including providing access to business development training and other financial and asset building information; and 2) to host island-wide events that provide an additional community benefit for all residents.

renovate the island's childcare center and recruited an operator that now serves 100 children 0 to 5 years old; secured funds for after school and summer youth programs provided by the Boys and Girls Club; developed a Family Support Service Center for families in supportive housing; advocated for and received recreation funds for island resident recreation activities; advocated for the renovation of the island's gymnasium and subsequent recreational programming; and organized weekly food pantries, support groups, health outreach and clinics, community meetings, movie nights, and community wide events including an annual neighborhood festival. Last year, TIHDI seeded the development of a new neighborhood association: the San Francisco Islands Community Association (SFICA) created by residents to involve whole island community in improving the quality of life for all who live and work on the island.

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Finally, three years ago TIHDI established the Treasure Island Creative Network (TICN) to develop programs and resources to benefit the community while simultaneously providing opportunities for residents to explore entrepreneurial ideas to supplement and increase their personal incomes. Since program inception, TICN has hosted twelve events showcasing the entrepreneurial interests and talents of island residents. A group of eight TICN leaders now co-lead the program with TIHDI staff. The project for which we are seeking funding from TIDA, **the Economic Self-Sufficiency Program**, is a natural extension of TICN's initial focus on micro-enterprise development.

Statement of Need

Treasure Island is one of San Francisco's newest and most affordable neighborhoods. Poised for significant growth, it is home to approximately 850 households, including 650 formerly homeless individuals and families living in permanent supportive housing and 45 extremely low income families living in Section 8 housing. When people began moving to the island in 1999, whatever infrastructure had been there for the Navy was gone. Retail facilities were non-existent, and the same was true for recreational, health and social services. While there are plans to further develop the island, the current low population density attracts limited public and private resources. For these and other reasons, it has been critical to provide a variety of services to support the people who are making Treasure Island their home.

Housing retention for formerly homeless individuals and families has been particularly successful on Treasure Island and many have lived here for three to five years. Female heads of households comprise a majority of the families, some of who are on government assistance for permanent disabilities and some who are low-income wage earners. The private property management company, the John Stewart Company, has leased 45 units of housing to families with Section 8 certificates who have needs similar to those of the formerly homeless families.

Many of the households described above now have the housing, family and emotional stability to seek new opportunities for increased income and greater economic security and self-reliance, yet they lack the experience, knowledge and access to resources to do so. For some, their relationship to money has historically been based on spending or on making sure they don't earn too much to jeopardize their benefits and/or housing. The ESSP is designed to strengthen the position of this economically vulnerable population. This new program is a natural progression of the evolution of individual, family and community life on Treasure and Yerba Buena Islands.

Project Description: The Economic Self Sufficiency Program

The Economic Self Sufficiency Program's overarching goal is to assist all island residents in building long-term economic security. Towards that end, the program offers financial education, asset building education and opportunities, and micro-enterprise development. Together, the program's three components embrace the following objectives:

1) Offer education to increase knowledge leading to better financial decisions;
2) Increase access to financial institutions and products;
3) Promote individual savings, asset building and investment;
4) Encourage financial literacy among individuals, youth and families;
5) Encourage mutual support and expand personal networks among residents;
6) Build the capacity of the island community by training community members (staff and other residents) to teach financial literacy; and
7) Assist and empower TICN participants interested in small business development to strengthen their entrepreneurial capacities.

To deliver proven curriculum, resources and services, TIHDI will partner with expert organizations in the fields of financial education, asset building and micro enterprise development. Partners with whom we've built relations to date include, but are not limited to: Renaissance Entrepreneurship Center, Bayview Business Resource Center, Bank On San Francisco, San Francisco Earn, Washington Mutual Bank and Wells Fargo Bank.

In an effort to boost island residents' financial literacy and to increase their practical money management skills, workshops will be offered by these (and other) partner organizations and individuals covering topics such as: money management (earning, spending, saving and investing); consumer credit and credit repair, budgeting, tax assistance; and banking. We will also offer workshops on child support geared towards custodial and non-custodial parents. A youth-focused financial literacy curriculum will be offered to youth and young adults aged between 15-23 years.

Additionally, partnerships will open up access to asset building strategies that provide residents with limited financial resources with information and financial incentives to help them plan and save towards continuing education, skills-training, self-employment and/or housing.

An important component of the program design is that TIHDI member agency staff will be trained in all topic areas prior to residents – both to build their own personal and professional knowledge and skills and to be better positioned to effectively mentor residents as they work to incorporate lessons learned in the trainings into their own lives.

Treasure Island Creative Network (TICN): Micro-Enterprise Development

The third component of the ESSP – micro-enterprise development – will build on the already well-established Treasure Island Creative Network (TICN). TICN is a collaboration of island residents and island based non profit organizations dedicated to creating economic opportunities for residents on Treasure and Yerba Buena Islands. The goals of TICN are to 1) support residents in income generating opportunities, including providing access to business development training and other financial and asset building information; and 2) to host island-wide events that provide an additional community benefit for all residents.

Currently TICN coordinates and hosts a monthly island flea market and craft fair which serves as its primary venue for enterprise development. Current members' businesses featured at the monthly market include jewelry, baked goods, stationary, and collector items.

In 2007, under the auspices of the ESSP, TIHDI will formalize its partnership with Renaissance Entrepreneurship Center's Bayview Business Resource Center to assist and empower TICN participants interested in small business development to strengthen their entrepreneurial capacities. Through workshops and one-on-one consultation, participants will receive assistance in developing realistic plans for pursuing their small businesses including financial planning, implementation strategies and marketing. Active workshop participation will be recognized with small capital investment grants for business needs such as business cards, signage and table awnings. Participants will also be gained access to other asset building resources needed to create and strengthen their micro-enterprises.

Additionally in 2007, we will work to create a TICN business assistance center in the Ship Shape complete with shared office space and meeting rooms, voicemail and fax services, and shared internet access. We will also explore with TICN members the feasibility and benefits of organizing as a co-op or collective.

ESSP Program: 2007 Timeline and Activities

Activities	Timeline
Hire the ESSP Coordinator	January 2007
Conduct Train the Trainer Series for Island Staff - Basic Financial Education (4 part series) - Credit Repair - Child Support for Custodial and non-custodial parents	February – June 2007
Conduct Basic Financial Education, Credit Repair, and Child Support Series for Island Wide Residents	March – December 2007
Conduct TICN Business Development Workshops and 1:1 consultation in partnership with the Bayview Business Resource Center	March – December 2007
Create TICN Business Assistance Center in the Ship Shape	March –December 2007

Program Funding and Sustainability

The Treasure Island Creative Network received seed funding in 2004 and has had ongoing funding from the Walter and Elise Haas Fund to support its development. TIHDI has also used its unrestricted resources to support this program and has leveraged other in kind resources such as volunteers, and meeting and event space. Current funders of the ESSP Program include: the Walter and Elise Haas Fund (including three months of program design and start-up), Washington Mutual Bank and the Wells Fargo Foundation. TIHDI is currently pursuing funding from Kimball Foundation and Citibank to cover program expenses.

BOYS & GIRLS CLUBS
OF SAN FRANCISCO

ENTERED
2007

February 21, 2007

Treasure Island Development Authority
Marianne Mazzucco Thompson
410 Avenue of the Palms
Treasure Island
San Francisco, CA 94130

Dear Ms. Thompson,

Thank you for considering this $80,000 request for support from Treasure Island Development Authority to the Treasure Island Boys & Girls Club: $30,000 for mental health services and $50,000 for education programs. Sherry Williams has been a loyal champion for our work with young people on the Island and I want to offer my appreciation to her for advocating on our behalf.

Boys & Girls Clubs of San Francisco has operated a Club on site at the Treasure Island Elementary School since the summer of 2000. Now in our 6th year of operation here, it is clear the need for our services is strong. There are approximately 375 school-aged children and teens on Treasure Island and our agency serves about 70% of these young people, with an annual membership of 226. Over 50 young people a day during the school year, and 70+ a day during the summer, *choose* to spend their out-of-school time at the Club.

Age group percentages we serve are: 60% are 6-9 year olds, 22% are 10-12, and 18% are teens. Ethnicity percentages are: 41% African American, 5% Caucasian, 24% Latino, 4% Chinese, 1% Filipino, 1% Pacific Islander, 2% Vietnamese, 1% Native American, 1% Other Asian and 20% other or Multi-Ethnic. Members' household income is self-reported as: 86% extremely low income, 9% very low income and 5% low income.

Mental Health Request. As you are aware from your work on Treasure Island, the children we serve are often living in families with multiple traumas. Recovering from homelessness, lack of financial stability, health issues, incarceration, substance abuse problems, these families need support to ensure these children reach their potential. The mission of BGCSF is to *inspire and enable all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible and caring citizens.* We believe that our work on Treasure Island is a critical manifestation of our agency bringing our mission statement to life.

55 Hawthorne Street, Suite 600 - San Francisco, CA 94105 - Tel. 415 415 KIDS (5437) - Fax 415 495 8435 - www.bgcsf.org

Over the last five years, responding to evident need, BGCSF slowly but forcefully has increased its focus on programs that met the behavioral health needs of youth members. This year, a Club staff survey overwhelmingly confirmed: the agency needs clinically trained staff on-site and members would benefit from behavioral health services. Psycho-social issues of Club members on Treasure Island challenge and, at times, overwhelm Club staff. In many instances, we know that a member can benefit from increased participation at the Club but psycho-social challenges prevent and distract them from moving forward. Substance abuse, post-traumatic stress, depression, sexual assault, domestic violence, prostitution and suicidal ideation are some issues that are beyond staffs' training and capacity to offer appropriate interventions. Efforts to refer a youth/family for behavioral health services outside of the Club are often met with a wait list or dead end. Alternatively, youth express reluctance to seek out services in an unfamiliar setting.

What we propose to build at the Treasure Island Boys & Girls Club is an innovative model that integrates prevention, early intervention and mental health services within a youth development "Clubhouse" setting. Significant in this model is "youth cultural competence." Young people are more likely to access services when they're offered in safe and familiar settings and in modalities that are adaptable such as brief therapy, group work and crisis intervention.

"Young people growing up in concentrated poverty are more likely to have poor health, drop out of school, be physically or sexually abused, become teen parents, and remain jobless than young people who live in socio-economically diverse neighborhoods." [1] To address these health disparities, we are committed to provide necessary group therapy and individual therapy and case management services to underserved young people on the Island. We will enhance our staffing pattern by adding a Behavioral Health Specialist (BHS) to the Treasure Island Club staff team. The BHS will provide individual, group and family interventions while also enhancing the capacity of club staff around de-escalation of psycho-social issues.

The agency has a Clinical Supervisor, LCSW, who provides oversight to the existing BHS, reviews cases weekly and monitors the work for progress and intensification of need by our members. With BHS expansion, we will increase the number of hours for this consultant role and bring in an additional Clinical Supervisor. The Clinical Supervisor function will include monitoring client progress for the purpose of evaluation. This person will be required to have evaluation experience and will thus act in the evaluator role for the Behavioral Health Program.

Education Request. Simply put, BGCSF is the only provider of after-school and summer activities for school-aged youth on Treasure Island. Our partner in our six years of service to the Island has been the San Francisco

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[1] *Impact of Poverty Report;* Rainbow Research Inc.; Minneapolis, Minnesota, 2001.

Unified School District's (SFUSD) K-8 school. With the school closing last year, our agency feels it is our obligation and responsibility to "stay put" and be a source of stability for the Island's young people. We have a dynamic, seasoned staff team on the Island and the kids trust this team. We now have three full-time and two part-time staff members. Each member of our staff team offers a critical youth development credential: a keen ability to understand and relate to our members. It is tremendously important that our staff members, who have remarkable relationships with these kids, remain constant.

Given the disruption in academic instruction experienced by Treasure Island youth, the Clubhouse needed to evaluate its education programs in order to strengthen overall educational enhancement during out-of-school time. Our first step was a recent hire of a full-time Education Director who is a credentialed teacher. Those are the highlights of what education efforts will look like in 2007:

- Establish site-based youth development education support at Spring Valley and Flynn Schools, the two schools where most of the Treasure Island young people are now bused. This will involve structured education and other youth development programs offered by our staff twice a week at each school site.
- Create and implement a formal system for honoring members' education accomplishments. Members' educational progress will be shared through parent quarterly meetings and mid-year and end of year graduation ceremonies for members, families and community members.
- Hire three tutors to work with 15 youth twice a week each semester. This will take place in 6 week sessions with short term, defined and attainable goals for participants.
- TI Education Director and Clubhouse Director will attend approximately 8 professional development forums focused on education over the next 12 months. This will include topics such as: Behavioral Management, Project Learn, homework help, setting up Learning Stations, understanding State School Standards, navigating SFUSD, and college prep for teens.
- Set up Learning Stations in all rooms of the Club so that when members finish their daily homework they can engage in fun, interactive learning activities.
- It is our goal to have elementary-age and middle-school age children that live on the island dropped off at our Club by their school buses. The high school students do not have school buses, so it is important that we build a program that works for their "return" times as well.

Again, I greatly appreciate your support and look forward to hearing from you. If you have questions please call me directly at 445-5417.

Sincerely,

Joni Lachman
Sr. Director, Institutional Gifts

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Fremont, CA 94536
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kidango
Educating Children, Inspiring Our Future

ENTERED
TREASURE ISLAND DEVELOPMENT AUTHORITY

Mirian Saez
Director of Island Operations for Treasure and Yerba Buena Islands
1 Palm Drive
San Francisco, CA 94130

February 28, 2007

Dear Mirian Saez,

Kidango has provided quality child development services to the residents of Treasure Island since March 2003. Under our care, children have grown and successfully transitioned to kindergarten. Their parents have been able to participate in employment, training and rehabilitation activities, knowing their children were being nurtured and safe. Families were supported on their path to self-sufficiency.

The child development center is the former Navy facility, which required extensive renovations to make it a safe and appropriate place for children and staff. It had suffered from years of neglect and deferred maintenance. We continue to incur higher than average maintenance and repair expenses at this facility as compared to the 40 other facilities we operate. This is one of the factors contributing to an operating deficit at this facility.

We request the support of the Treasure Island Development Authority for the operation of the child development center. Your general operating support of $25,000 would help the long term viability of the center be more feasible. Kidango seeks your support so that the existing services to children and families on Treasure Island are not lost.

Sherry Williams from TIRDI spoke with you about the possibility of providing scholarships for families. Recently this has not been an identified need for us. Operational support would be a greater benefit to Kidango at this time. In addition, the limited term would require us to terminate services to children at the end of the year.

I have attached an overview of the center with some additional information. Please feel free to contact me if you have any questions.

Sincerely,

Paul B. Miller
Executive Director
Phone: 510-744-9280 x 24
Mobile: 510-708-5474
Email: pmiller@kidango.org

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Educating Children, Inspiring Our Future

Kidango Treasure Island Center

Kidango provides full day, year round child care and child development services to children from 0 – 5 years of age. Our current enrollment is 11 infants, 11 toddlers and 44 preschool children.

Our primary source of funding is a fee-for-service contract with the California Department of Education, Child Development Division. Four children pay full fee and two children use vouchers from alternative payment programs to pay for services. The remaining 60 children have their fees subsidized under our contract with the California Department of Education (CDE). The reimbursement rate from CDE does not come close to the full cost of providing a quality child development experience for children. The support received from the Department of Children, Youth and their Families helps to close some of the gap of over $442.00 per month per child.

Our mission: Kidango inspires all children and their families by promoting their potential and diversity through quality education and nurturing relationships.

Most children served by Kidango are from families on Cal WORKS or at risk of being on Cal WORKS. Typically these families are below 50% of the state median income. Family status also may include, homeless and formerly homeless children; parents in job training programs; parents in substance abuse recovery; children of abuse, neglect or domestic violence who also need care to assure their protection and promote family economic self sufficiency.

We opened the Treasure Island Child Development Center in March 2003 with the support of the Department of Human Services (DHS), Department of Children, Youth and their Families (DCYF), Low Income Investment Fund (LIIF), and the Treasure Island Homeless Development Initiative (TIHDI). It is the only licensed child care facility on the island.

Teachers design curriculum based upon the children's interests and developmental assessments. The curriculum is child centered rather than a set curriculum so it reflects the interests and cultures of the children in each classroom. Teachers observe children and perform developmental assessments using the Desired Results Developmental Profile (developed by the California Department of Education).

Teachers regularly conference with parents to the review progress of and set goals for each child. This is also an opportunity to find out what the families' other needs may be. Families are linked to other services available through our TIHDI partners, especially those located across the parking lot at the Family Services Center. To further enhance children's success, mental health services are provided to families in collaboration with the Homeless Children's Network at our center.

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AGENDA ITEM 12
Treasure Island Development Authority
City and County of San Francisco
Meeting of April 11, 2007

Subject: **Summary of Appraisal Report Provided by Carneghi – Blum and Partners.** (*Information Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

Project Staff of the Treasure Island Development Authority generates operating revenue to support the policy goals and objectives of the City and the Treasure Island Development Authority by subleasing property that the Authority leases from the US Navy.

Project Staff has initiated a review of the leasing policies and procedures employed by the Authority with the goal of maximizing income and ensuring transparency in the terms and conditions of all Authority transactions and agreements with third-parties.

An early step in the review by Project Staff of assets under management was the establishment of an inventory of properties available for subleasing to third parties. At the January 10, 2006, regular meeting of the Treasure Island Development Authority Board of Directors (the "Authority Board"), Project Staff described physical conditions affecting 84 buildings on Treasure Island and concluded that less than 20 of those buildings would be suitable candidates for subleasing to commercial tenants. The balance of the buildings were considered not suitable for subleasing either because they are occupied by a government organization that is using the building in support of the operations or development of Treasure Island, or the building suffers from defects too significant to qualify them as candidates for subleasing. Defects identified ranged from contamination with hazardous materials to failure to meet seismic requirements of FEMA 178.

The next step in the review is an assessment of the income potential for assets under management for the interim period until the transfer of Treasure Island from the Navy to the Authority. In support of this effort Project Staff retained the services of an appraisal firm. Information provided by the appraiser will help Project Staff establish a schedule of leasing parameters that will provide Project Staff guidance in their negotiations with third parties while assuring that the Authority earns market rate rental revenue from properties it subleases.

Project Staff entered into an Agreement with the Real Estate Division of the City and County of San Francisco ("DRE") to contract for professional appraisal services to assist in the development of a rental rate schedule for commercial properties on Treasure Island. DRE selected the appraisal firm of Carneghi-Blum and Partners to perform the appraisal. With over 30 years of continuous service from offices located in San Francisco, Carneghi-Blum & Partners, ("Carneghi – Blum"), and MAI Certified appraiser, has performed over 10,000 appraisals. The appraisal services performed by Carneghi–Blum included inspection of Treasure Island properties, assessment of the highest and best use of the properties and production of an appraisal report that provided an opinion of a range market based rental rates for commercial properties on Treasure Island. The appraisers had their first tour of the properties on February 5 and delivered their final report to DRE and to Project Staff on March 30, 2007 (See Attached Report).

BUDGET SOURCE:

The cost for the appraisal services was $16,500. The Carneghi-Blum fee was $15,000 and the fee for the Real Estate Division was $1,500.

The Authority budget for Fiscal Year 2006-2007 did not include an interdepartmental work-order allocation for the City's Real Estate Division to provide services to the Authority. Funding for this project will come from reprogrammed work order money originally allocated to "Other non-Operating Expenses".

APPRAISAL SUMMARY:

The appraisers reviewed thirty two properties including seven fields. They divided the properties into seven categories: (1) Industrial/Warehouse; (2) Field/Yard; (3) Office/Commercial Service/Assembly; (4) Retail; (5) Wedding; (6) Childcare; and (7) Athletic Club.

All rental rates are considered to be NNN, except rental rates for the Administration Building, which are considered to be Full Service, net of possessory interest taxes.

Obvious building conditions were observed, but the appraisers did not adjust for building conditions that were not obvious and visible. For example, they did not adjust for the presence or absence of hazardous materials, such as asbestos or lead-based paint. Generally, they concluded that all of the properties on Treasure Island require at least some improvements prior to move-in. Some of the properties were considered to have no economic value because the cost and risk of making improvements exceeded potential value to a user.

The appraisers also reviewed the rental conditions which included standard lease terms and the process for entering into an agreement. According to the appraisers "the nature of the subject sub-leases poses constraints on the marketability of the subject properties, especially those properties which are unimproved or in poor condition. Potential tenants would not be willing to spend money improving the properties, as well as not be able to secure any loan funding for improvements, due to the month-to-month terms available. Significant consideration is given to the fact that the subject properties must be leased on an as-is-basis and the tenants will be required to bring the buildings/ properties up to a useable condition. No major improvements

will likely be made because the tenancies will be on an interim basis only. Also the fact that a number of the buildings are not served by utilities and do not have water, restrooms, or heat is significant. Based on these factors, many of the properties are considered to have no economic rental value" (Page 8).

Their general comment on competitive market conditions were that that Treasure Island suffers from a lack of amenities, an inactive retail, commercial area, poor access and limited public transportation. Based on these factors they concluded that the value of the property is as a secondary location for office and industrial uses, primarily appealing to office and industrial users who value a location between San Francisco and Oakland.

Industrial Properties

Buildings with economic value were Building 180 which is currently subleased to California Logistics and Beyond Productions; the portion of Building 62 which is currently subleased to Walter Wong & Co.; the Carpentry Shop, which is unleased; the Brig, which is unleased, Hangar 2 which is subleased to Island Creative; and Hangar 3, which is unleased. Rates for subleased properties were generally equivalent to their contract rental rate. Rates for vacant properties range from $0.10 psf for Hangar 3 to $0.35 psf for the Carpentry Shop. The unleased portion of the Commissary; the RV Storage Shed; the Gas Station; Building 201, the Navy Exchange building; the Post Office; the Building 69 Shed; the Building 292 Warehouse; and the unoccupied portion of Building 62 were considered to have No Economic Value.

Field/Yard

The fields located throughout Treasure Island and ranging in size from two to three acres were considered to have values ranging from $0.05 per square foot to $0.15 psf, based on the level of improvements. Valuable improvements were considered to improvements for industrial use of the fields, including paving, fencing and lighting. As a result, the paved and fenced yard facing Avenue H is considered to be the most valuable yard at $0.15 psf. The appraisers also contacted sports clubs and athletic organizations throughout the Bay Area to determine whether they would be willing to improve a vacant lot and pay rent. All respondents declared they lack the funding to make improvements, maintain the facility and pay rent. Consequently, the appraisers determined that the highest and best use for all fields, including the improved Rugby field, was as an industrial yard.

Office/Commercial Service/Assembly

This category of properties ranges from suites in the Administration Building which would be considered true office space through the Yacht Club which would be considered Commercial Assembly since it is primarily a club house used for assembly and meetings. Building 227, the Fog Watch, was considered to have No Economic Value. Rental rates for the Administration Building ranged from $0.75 psf to $1.00 psf Full Service, net of taxes. Obstacles to higher rents for this attractive building were lack of elevators and that the property, including the bathrooms, is not ADA compliant. The other properties in this category were considered Commercial Service/Assembly. Included were the Yacht Club, currently occupied by the Treasure Island

Yacht Club; the Library, currently occupied by Glide; the Ship Shape, currently a community meeting center managed by the Treasure Island Homeless Development Initiative; the Club House, currently occupied by the Life Learning Academy as a high school; the portion of the Commissary that is occupied by the San Francisco Golden Gate Rugby Club; and the Fog Watch, which is currently vacant. Market rental rates for occupied buildings were considered to be equivalent to or higher than their current rental rate. For example, the occupied portion of the Commissary is considered to have a market rental rate of $1.00 psf NNN which is 3% less than their current rent. On the other hand, market rent for the Library is $0.50 psf NNN or over 100% greater than the current rent of $0.24 psf NNN paid by Glide for the property.

Retail

Two retail properties were identified by the appraisers. They were the Café and the Gatehouse at the entrance to Treasure Island. Both were considered to have highly visible retail locations, but the Gatehouse lacks parking. The market rental rate for both properties was considered to be $1.25 psf NNN.

Wedding

The appraisers identified a single Wedding Venue, the Casa de la Vista. They considered the property attractive, well-maintained and earning market rent of $3,350 per weekend event.

Childcare

Kidango is the only childcare facility on the island. The appraisers considered the building to be in good condition and significantly built out as a childcare facility. Due to the extensive build-out alternate uses which would require demolition of current build-out, such as office, were not considered. The appraisers stated that for "a day care facility, the location of the subject property on Treasure Island is considered secondary due to the small resident and professional workforce population on the Island" (page 27). Kidango currently pays no Base Rent. The appraisers considered a fair market rent for the property to be $0.65 psf NNN.

Athletic Club

Building 402, the Gym, is the athletic club on the island. The appraisers noted that there is little demand on Treasure Island for a retail athletic club which would rely on membership dues in order to be profitable. They concluded that "Due to the limited demand, no interim economic rental value is concluded for the subject Building 402 (Gymnasium)" (page 28).

CONCLUSION:

The data and the opinions provided by the appraisers will be helpful as Project Staff assesses income potential for commercial properties on Treasure Island. Information from the appraisal report will be key to the establishment of leasing parameters that will provide Project Staff guidance in their negotiations with third parties while assuring that the Authority earns market rate rental revenue from properties it subleases.

EXHIBITS:

A. Value Conclusions submitted by Carneghi-Blum and Partners, Inc.
B. Market Rent Appraisal of Various Treasure Island Properties, San Francisco, California

Prepared by Marc McDonald, Facilities Manager
For Mirian Saez, Director of Island Operations

AVERY

Value Conclusions
Appraisal of Treasure Island - Various Commercial Properties
San Francisco, California

Ref No	Bldg. No.	Name	Value Conclusion	Existing Rent
1	1	Admin Building:	BETWEEN SEVENTY FIVE CENTS AND ONE DOLLARPER SQUARE FOOT PER MONTH ($0.75 AND $1.00 PER SQUARE FOOT PER MONTH)	N/A
2	180	Building 180 (larger)	TWENTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.25 PER SQUARE FOOT PER MONTH)	$0.20 PER SQUARE FOOT
	180	Building 180 (smaller)	SIXTY CENTS PER SQUARE FOOT PER MONTH ($0.60 PER SQUARE FOOT PER MONTH)	$0.65 PER SQUARE FOOT
3	2	Building 2	FIFTEEN CENTS PER SQUARE FOOT PER MONTH ($0.15 PER SQUARE FOOT PER MONTH)	$0.15 PER SQUARE FOOT
4	3	Building 3	TEN CENTS PER SQUARE FOOT PER MONTH ($0.10 PER SQUARE FOOT PER MONTH)	VACANT
5	34	Commissary (storage)	NO ECONOMIC RENTAL VALUE	VACANT
	34	Commissary (rugby club)	ONE DOLLAR PER SQUARE FOOT PER MONTH ($1.00 PER SQUARE FOOT PER MONTH)	$1.00 PER SQUARE FOOT
6	216	RV Storage	NO ECONOMIC RENTAL VALUE	VACANT
7	670	Brig	TWENTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.25 PER SQUARE FOOT PER MONTH)	VACANT
8	671	Carpentry Shop	THIRTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.35 PER SQUARE FOOT PER MONTH)	VACANT
9	330	Gas Station	NO ECONOMIC RENTAL VALUE	VACANT
10	201	Navy Exchange	NO ECONOMIC RENTAL VALUE	VACANT
11	497	Ship Shape	FIFTY CENTS PER SQUARE FOOT PER MONTH ($0.50 PER SQUARE FOOT PER MONTH)	NO RENT
12	502	Childcare	SIXTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.65 PER SQUARE FOOT PER MONTH)	NO RENT
13	258	Post Office	NO ECONOMIC RENTAL VALUE	VACANT
14	140	Nimitz Conf. Ctr.	TWENTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.25 PER SQUARE FOOT PER MONTH)	VACANT
15	271	Casa de la Vista	ONE DOLLAR AND FIFTY CENTS PER SQUARE FOOT PER MONTH ($1.50 PER SQUARE FOOT PER MONTH)	N/A
16	265	Library	FIFTY CENTS PER SQUARE FOOT PER MONTH ($0.50 PER SQUARE FOOT PER MONTH)	$0.25 PER SQUARE FOOT
17	227	Fog Watch	NO ECONOMIC RENTAL VALUE	VACANT
18	146	Gatehouse	ONE DOLLAR AND TWENTY FIVE CENTS PER SQUARE FOOT PER MONTH ($1.25 PER SQUARE FOOT PER MONTH)	VACANT
19	183	Cafe	ONE DOLLAR AND TWENTY FIVE CENTS PER SQUARE FOOT PER MONTH ($1.25 PER SQUARE FOOT PER MONTH)	2% OF INCOME
20	298	Yacht Club	SEVENTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.75 PER SQUARE FOOT PER MONTH)	$0.52 PER SQUARE FOOT
21	69	Shed	NO ECONOMIC RENTAL VALUE	VACANT
22	229	Club House	FIFTY CENTS PER SQUARE FOOT PER MONTH ($0.50 PER SQUARE FOOT PER MONTH)	NO RENT
23	402	Gymnasium	NO ECONOMIC RENTAL VALUE	NO RENT
			Source. Carneghi-Blum & Partners, Inc., February 2007 07-ASF-024,07asf02-valconclusions	
24	292	Avenue I - WH	NO ECONOMIC RENTAL VALUE	VACANT
25	62	Building 62 (5,600 sf portion)	THIRTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.35 PER SQUARE FOOT PER MONTH)	$0.41 PER SQUARE FOOT

Value Conclusions

Appraisal of Treasure Island - Various Commercial Properties
San Francisco, California

Ref No	Bldg No	Name	Value Conclusion	Existing Rent
	Fields			
	F		FIFTEEN CENTS PER SQUARE FOOT PER MONTH ($0.15 PER SQUARE FOOT PER MONTH)	VACANT
	G		FIVE CENTS PER SQUARE FOOT PER MONTH ($0.05 PER SQUARE FOOT PER MONTH)	VACANT
	H		FIVE CENTS PER SQUARE FOOT PER MONTH ($0.05 PER SQUARE FOOT PER MONTH)	VACANT
	E		FIVE CENTS PER SQUARE FOOT PER MONTH ($0.05 PER SQUARE FOOT PER MONTH)	[illegible]
	Rugby		FIVE CENTS PER SQUARE FOOT PER MONTH ($0.05 PER SQUARE FOOT PER MONTH)	NO RENT
	California		FIVE CENTS PER SQUARE FOOT PER MONTH ($0.05 PER SQUARE FOOT PER MONTH)	VACANT
	Great Lawn		FIVE CENTS PER SQUARE FOOT PER MONTH ($0.05 PER SQUARE FOOT PER MONTH)	LESS THAN $10K PER YR

The concluded ranges are based on month-to-month terms with no additional tenant improvements provided. The lease structures are concluded on a triple net basis, with the exception of the Administrative Building which is on a gross basis, net only of the possessory interest tax.

Source: Cornerstone & Partners Inc. February [illegible]
[illegible]

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CBP CARNEGHI-BLUM & PARTNERS, INC.
Real Estate Appraisers & Consultants in Urban Economics

MARKET RENT APPRAISAL OF:

VARIOUS TREASURE ISLAND PROPERTIES

SAN FRANCISCO, CALIFORNIA

PREPARED FOR:

CITY AND COUNTY OF SAN FRANCISCO

SAN FRANCISCO, CALIFORNIA

FEBRUARY 2007

07-ASF-024

CBP CARNEGHI-BLUM & PARTNERS, INC.
Real Estate Appraisers & Consultants in Urban Economics

February 28, 2007

Ms. Amy L. Brown
Director of Property
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102

Re: 07-ASF-024, Market Rent Appraisal
Various Treasure Island Properties
San Francisco, California

Dear Ms. Brown:

In accordance with your request and authorization, Carneghi-Blum & Partners, Inc. has prepared an appraisal of the above referenced property. The subject property includes various sites located on Treasure Island in San Francisco County, California. Treasure Island is a man-made island consisting of approximately 404 acres connected by a small isthmus to Yerba Buena Island, which is located in the middle of the San Francisco-Oakland Bay Bridge. Developed predominantly during World War II, the island served as a military base during the war and a naval training and administrative center after the war. In 1997 the Department of Defense decided to close the Naval Station, and Treasure Island is now part of District 6 of the City and County of San Francisco, though it continues to be owned by the Navy.

The subject properties consist of several open fields and a variety of older buildings of various types including industrial, large and small warehouses, office and similar commercial facilities, and potential small scale retail buildings. Several of the buildings are in deteriorated condition and are at or nearing the end of their economic lives. Utilities to the improvements are older and outdated. Further description and analysis are contained within this report.

This appraisal addresses the market rental value of the subject properties in their present, as-is condition with no new tenant improvements. At the client's instruction, the market rent conclusions assume month-to-month terms, and are on a triple net basis with all expenses paid by the lessee, with the exception of the Administrative Building which is concluded on a gross basis with all expenses paid by the lessor, except for the possessory interest tax.

This appraisal has been requested by Ms. Amy L. Brown, Director of Property for the City and County of San Francisco in San Francisco, California. The purpose of this appraisal is to estimate the current market rental value of the subject properties based on a month-to-month term, in as-is condition with no new tenant improvements provided. It is our understanding that the intended use/user for this appraisal is for the exclusive use of the City and County of San Francisco for asset management in lease negotiations for the subject properties. ***This report should not be used or relied upon by any other parties for any reason.***

SCOPE OF WORK

The scope of this appraisal report is to utilize the appropriate standard approaches to value in accordance with Uniform Standards of Professional Appraisal Practice (USPAP 2006) to arrive at a market value conclusion. Specific steps include the inspection of the subject properties and the research and analysis of comparable data to arrive at value indications as put forth in the this narrative appraisal report.

This appraisal is presented in a summary report.

EXTRAORDINARY LIMITING CONDITIONS

1. During the inspection, the appraisers observed mold smells and growth in several of the subject interiors. The appraisal assumes that the mold issues are non-toxic, easily remedied, and that these subject properties, which are concluded to have economic rental value, meet basic code for the concluded interim highest and best use.

2. A preliminary title report was not provided to the appraisers. This appraisal assumes that no easements or encumbrances exist that would affect the utility or leasability of the subject sites.

VALUE CONCLUSIONS

The concluded rental rates are based on month-to-month terms with no additional tenant improvements provided. The rates are concluded on a triple net basis, with the exception of the Administrative Building which is concluded on a gross basis, net only of the possessory interest tax.

Based on the research and analysis contained in the attached report, and subject to the limiting conditions and assumptions contained therein, it is the opinion of the undersigned that the market rental values for the subject properties, in their present, as-is condition, as of February 22, 2007, are presented on the table on the following page.

Certain subject properties were concluded to have no interim economic rental values. However, it might be possible to generate a small amount of revenue from some of these properties. In some cases this may require that certain structures be demolished in order to be leased as yard space.

Value Conclusions
Appraisal of Treasure Island - Various Commercial Properties
San Francisco, California

Ref. No.	Bldg. No	Name	Value Conclusion	Existing Rent
1	1	Admin Building:	BETWEEN SEVENTY FIVE CENTS AND ONE DOLLARPER SQUARE FOOT PER MONTH ($0.75 AND $1 00 PER SQUARE FOOT PER MONTH)	N/A
2	180	Building 180 (larger)	TWENTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.25 PER SQUARE FOOT PER MONTH)	$0 20 PER SQUARE FOOT
	180	Building 180 (smaller)	SIXTY CENTS PER SQUARE FOOT PER MONTH ($0.60 PER SQUARE FOOT PER MONTH)	$0 65 PER SQUARE FOOT
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4	3	Building 3	TEN CENTS PER SQUARE FOOT PER MONTH ($0.10 PER SQUARE FOOT PER MONTH)	VACANT
5	34	Commissary (storage)	NO ECONOMIC RENTAL VALUE	VACANT
	34	Commissary (rugby club)	ONE DOLLAR PER SQUARE FOOT PER MONTH ($1.00 PER SQUARE FOOT PER MONTH)	$1 00 PER SQUARE FOOT
6	216	RV Storage	NO ECONOMIC RENTAL VALUE	VACANT
7	670	Brig	TWENTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.25 PER SQUARE FOOT PER MONTH)	VACANT
8	671	Carpentry Shop	THIRTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0 35 PER SQUARE FOOT PER MONTH)	VACANT
9	330	Gas Station	NO ECONOMIC RENTAL VALUE	VACANT
10	201	Navy Exchange	NO ECONOMIC RENTAL VALUE	VACANT
11	497	Ship Shape	FIFTY CENTS PER SQUARE FOOT PER MONTH ($0.50 PER SQUARE FOOT PER MONTH)	NO RENT
12	502	Childcare	SIXTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.65 PER SQUARE FOOT PER MONTH)	NO RENT
13	258	Post Office	NO ECONOMIC RENTAL VALUE	VACANT
14	140	Nimitz Conf. Ctr.	TWENTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.25 PER SQUARE FOOT PER MONTH)	VACANT
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23	402	Gymnasium	NO ECONOMIC RENTAL VALUE	NO RENT
			Source: Carneghi-Blum & Partners, Inc., February 2007 07-ASF-024,07asf024valconclusions	
24	292	Avenue 1 - WH	NO ECONOMIC RENTAL VALUE	VACANT
25	62	Building 62 (5,000 sf portion)	THIRTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.35 PER SQUARE FOOT PER MONTH)	$0.41 PER SQUARE FOOT

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	Rugby		FIVE CENTS PER SQUARE FOOT PER MONTH ($0.05 PER SQUARE FOOT PER MONTH)	NO RENT
	California		FIVE CENTS PER SQUARE FOOT PER MONTH ($0.05 PER SQUARE FOOT PER MONTH)	VACANT
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The concluded ranges are based on month-to-month terms with no additional tenant improvements provided. The lease structures are concluded on a triple net basis, with the exception of the Administrative Building which is on a gross basis, net only of the possessory interest tax.

Source: Carneghi-Blum & Partners, Inc., February 2007
07-ASF-024,07asf024valconclusions

However, we consider any potential revenues from these subject properties to be nominal in relation to demolition costs.

This letter must remain attached to the appraisal report, identified on each page as 07-ASF-024, plus related exhibits, in order for the value opinions set forth to be considered valid.

CERTIFICATION

We, the undersigned, hereby certify that, to the best of our knowledge and belief: the statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions; we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved; we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or reporting predetermined results, our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal; the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan; our analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. We have made a personal inspection of the property that is the subject of this report. No one provided significant real property appraisal assistance to the persons signing this certification. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Ronald Blum has completed the requirements under the continuing education program of the Appraisal Institute. In accordance with the Competency Provision in the USPAP, we certify that our education, experience and knowledge are sufficient to appraise the type of property being valued in this report.

We are pleased to have had this opportunity to be of service. Please contact us if there are any questions regarding this appraisal.

Sincerely,

CARNEGHI-BLUM & PARTNERS, INC.

Ronald Blum, MAI
Certified General Real Estate Appraiser
State of California No. AG009958

Laura A. More
Trainee Real Estate Appraiser
State of California No. AT037420

/ss

TABLE OF CONTENTS

TABLE OF EXHIBITS

I. REPORT SUMMARY AND LIMITING CONDITIONS

A. Property Appraised

The subject property includes various sites located on Treasure Island in San Francisco County, California. Treasure Island is a man-made island consisting of approximately 404 acres connected by a small isthmus to Yerba Buena Island, which is located in the middle of the San Francisco-Oakland Bay Bridge. Developed predominantly during World War II, the island served as a military base during the war and a naval training and administrative center after the war. In 1997 the Department of Defense decided to close the Naval Station, and Treasure Island is now part of District 6 of the City and County of San Francisco, though it continues to be owned by the Navy.

The subject properties consist of several open fields and a variety of older buildings of various types including industrial, large and small warehouses, office and similar commercial facilities, and potential small scale retail buildings. Several of the buildings are in deteriorated condition and are at or nearing the end of their economic lives. Utilities to the improvements are older and outdated. Further description and analysis are contained within this report.

This appraisal addresses the market rental value of the subject properties in their present, as-is condition with no new tenant improvements. At the client's instruction, the market rent conclusions assume month-to-month terms, and are on a triple net basis with all expenses paid by the lessee, with the exception of the Administrative Building which is concluded on a gross basis with all expenses paid by the lessor, except for the possessory interest tax.

B. Purpose and Function of the Appraisal

This appraisal has been requested by Ms. Amy L. Brown, Director of Property for the City and County of San Francisco in San Francisco, California. The purpose of this appraisal is to estimate the current market rental value of the subject properties based on a month-to-month term, in as-is condition with no new tenant improvements provided. It is our understanding that the intended use/user for this appraisal is for the exclusive use of the City and County of San Francisco for asset management in lease negotiations for the subject properties. ***This report should not be used or relied upon by any other parties for any reason.***

C. Effective Date of Appraisal

The effective date of valuation is February 22, 2007.

The date of this appraisal report is February 28, 2007.

D. Definition of Fair Market Rental Value

Market Rent ***(The Appraisal of Real Estate, 12th Edition, 2001, p.83)***

The rental income that a property would probably command in the open market; indicated by the current rents that are either paid or asked for comparable space as of the date of the appraisal.

E. Scope of Work

The scope of this appraisal report is to utilize the appropriate standard approaches to value in accordance with Uniform Standards of Professional Appraisal Practice (USPAP 2006) to arrive at a market value conclusion. Specific steps include the inspection of the subject properties and the research and analysis of comparable data to arrive at value indications as put forth in the this narrative appraisal report.

This appraisal is presented in a summary report.

F. Valuation Summary

The concluded rental rates are based on month-to-month terms with no additional tenant improvements provided. The rates are concluded on a triple net basis, with the exception of the Administrative Building which is concluded on a gross basis, net only of the possessory interest tax.

Based on the research and analysis contained in this report, and subject to the limiting conditions and assumptions contained herein, it is the opinion of the appraisers that the market rental values for the subject properties, in their present, as-is condition, as of February 22, 2007, are presented on the table on the following page.

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Value Conclusions
Appraisal of Treasure Island - Various Commercial Properties
San Francisco, California

Ref No	Bldg No.	Name	Value Conclusion	Existing Rent
1	1	Admin Building:	BETWEEN SEVENTY FIVE CENTS AND ONE DOLLARPER SQUARE FOOT PER MONTH ($0.75 AND $1.00 PER SQUARE FOOT PER MONTH)	N/A
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11	497	Ship Shape	FIFTY CENTS PER SQUARE FOOT PER MONTH ($0.50 PER SQUARE FOOT PER MONTH)	NO RENT
12	502	Childcare	SIXTY FIVE CENTS PER SQUARE FOOT PER MONTH ($0.65 PER SQUARE FOOT PER MONTH)	NO RENT
13	258	Post Office	NO ECONOMIC RENTAL VALUE	VACANT
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Source: Carneghi-Blum & Partners, Inc., February 2007
07-ASF-024,07asf02-Valconclusions

Value Conclusions
Appraisal of Treasure Island - Various Commercial Properties
San Francisco, California

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The concluded ranges are based on month-to-month terms with no additional tenant improvements provided. The lease structures are concluded on a triple net basis, with the exception of the Administrative Building which is on a gross basis, net only of the possessory interest tax.

Source: Carneghi-Blum & Partners, Inc. February 2007
07-ASF-024.07asf024valconclusions

G. Limiting Conditions

Extraordinary Limiting Condition

1. During the inspection, the appraisers observed mold smells and growth in several of the subject interiors. The appraisal assumes that the mold issues are non-toxic, easily remedied, and that the subject properties, which are concluded to have economic rental value, meet basic code for the concluded interim highest and best use.

2. A preliminary title report was not provided to the appraisers. This appraisal assumes that no easements or encumbrances exist that would affect the utility or leasability of the subject sites.

General Limiting Conditions and Assumptions

3. It is the client's responsibility to read this report and to inform the appraiser of any errors or omissions of which he/she is aware prior to utilizing this report or making it available to any third party.

4. No responsibility is assumed for legal matters. It is assumed that title of the property is marketable and it is free and clear of liens, encumbrances and special assessments other than as stated in this report.

5. Plot plans and maps are included to assist the reader in visualizing the property. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraiser can be assumed by the appraiser.

6. All information has been checked where possible and is believed to be correct, but is not guaranteed as such.

7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. It is assumed that no soil contamination exists as a result of chemical drainage or leakage in connection with any production operations on or near the property.

8. In this assignment, the existence (if any) of potentially hazardous materials used in the construction or maintenance of the improvements or disposed of on the site has not been considered with the exception of the remaining asbestos containing materials. Other possible hazardous materials may

include (but are not limited to) the existence of formaldehyde foam insulation or toxic wastes. The appraiser is not qualified to detect such substances; the client is advised to retain an expert in this field.

9. The appraiser is not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.

10. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification, only in its entirety, and only for the contracted intended use as stated herein.

11. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, new sales, or other media without the written consent and approval of the appraiser, particularly as to the valuation conclusions, the identity of the appraisers, or any reference to the Appraisal Institute or the MAI designation.

II. AREA AND NEIGHBORHOOD DESCRIPTION

A. The San Francisco Bay Area and Treasure Island

While San Francisco covers a relatively small land area of approximately 47 square miles, it is the geographic center of a major metropolitan area consisting of nine counties surrounding San Francisco Bay. The Bay Area is the fifth largest metropolitan center in the United States with a population exceeding 5,700,000. It has a relatively stable economic base which will likely expand in the future. Principal economic activities include finance, high technology, manufacturing, and transportation. The population within San Francisco proper was approximately 798,680 as of January 1, 2006 according to estimates prepared by the State Department of Finance.

The economic outlook for San Francisco and the Bay Area is favorable. On a regional basis, the Bay Area has a diversified economic base which helps insulate it from national economic fluctuations. Employment patterns within San Francisco are generally oriented toward office activities. These activities, as opposed to functions such as heavy industry, have traditionally been less vulnerable to changes in the business cycle.

The subject properties are located on Treasure Island, which is an artificial island in the San Francisco Bay between San Francisco and Oakland. It is connected by a small isthmus to Yerba Buena Island. Treasure Island was originally created in 1939 for the "Golden Gate International Exposition" by dredging up dirt from the Bay. The Island is generally rectangular in shape and contains approximately 403 acres of flat and low-lying filled land. Originally, the Island was to be converted into an international civilian airport after the exposition. However, due to America's involvement in World War II, the Island became a military base known as Naval Station Treasure Island.

The majority of the existing buildings were developed predominantly during World War II, when the island served as a military base. After the war, Treasure Island was used as a naval training and administrative center. In 1997 the Department of Defense decided to close the Naval Station, and Treasure Island is now part of District 6 of the City and County of San Francisco, though it continues to be owned by the Navy.

B. General Market Overview

According to the City and County of San Francisco, Treasure Island has a total population of approximately 3,000. The Island has no gas station and is served by a single bus. The Island also contains a job training center. In the 1990's and 2000's,

Treasure Island's aircraft hangars served as sound stages for film and television productions such as *Nash Bridges*, *The Matrix*, and *Rent*.

Treasure Island is currently very limited in terms of amenities, and lacks supermarkets, restaurants, and bars. The Island contains the Crossroads Café and Culinary Academy Restaurant, which both have very limited hours of operation. The Island also has the Treasure Island Mini-Market and Treasure Island Photo Booth.

Overall, Treasure Island is considered a very inactive retail commercial area with poor access and very limited public transportation. It is also considered to be a secondary location in terms of office and industrial uses. However, Treasure Island could likely appeal to potential office and industrial users who value the location in between San Francisco and Oakland.

III. SUBJECT PROPERTY DESCRIPTION

A. Environmental Observations

Upon inspection of the subject site, the appraisers did not observe any evidence of toxic contamination on the property. No evidence of underground tanks, oily soil, or waste disposal, treatment or storage was reported or observed. Several of the subject properties contained mold and/or mold smells. Treasure Island is reportedly affected by a variety of toxic contamination problems, and the cleanup is ongoing. However, the appraisers are not experts in contamination and the reader is referred to the Limiting Condition in Chapter I which assumes the site is clean.

B. Zoning

According to the San Francisco Planning Department, the subject properties are zoned P (Public Use). The P District applies to all land in San Francisco that is owned by a governmental agency and is in some form of public use. Structures and uses of governmental agencies are not subject to regulation by this code.

C. Easements and Restrictions

A preliminary title report was not provided. It is assumed for this analysis that there are no easements or restrictions existing which would impact the utility or leasability of the subject properties.

D. Description of Subject Properties

The subject properties are individually described in the table on the following pages.

E. Lease Structure Summary and Current Rent Roll

The subject properties are leased by the Navy to the City and County of San Francisco's Treasure Island Development Authority. The lease is renewed annually and the Treasure Island Development Authority, in turn, is able to sublease the properties in order to generate revenue to support the Island. A sample copy of the sublease document is included in the addenda of this report. The document specifies that the sublease shall be on a month-to-month basis, whereby either party is able to terminate the sublease by giving at least thirty-days prior written notice. The structure of the sublease is on a triple net basis whereby the sub-tenant is responsible for base rent and all expenses related to the subleased premises, including all possessory interest taxes, utilities, and common area maintenance charges.

Buildings Containing Tenants

Effective January 1, 2007

Building No.	Description	Address	Sq. Ft.	Use	Condition	Rent psf	Tenant	Remaining Years
Photo Shack	Building	Causeway	100	Gift Shop	Fair	$5.15	SF Kanko	2 to 5 Years
Building 34	Commissary	725 California Ave	1,000	Club House	Good	$1.00	Golden Gate Rugby	2 to 5 Years
Building 265	Library	TBD	8,392	Office	Fair	$0.24	Glide Foundation	2 to 5 Years
Building 180	Building 180	200 California Ave	77,481	Storage	Good	$0.20	California Logistics	5 to 7 Years
Building 180	Building 180	200 California Ave	6,586	Television Production	Good	$0.65	Beyond Productions	5 to 7 Years
Building 183	Trailer	60 Clipper Cove	640	Café	Good	2% of net income	Delancey Street LLA	5 to 7 Years
Building 298	Yacht Club	TBD	1,188	Club House	Good	$0.52	Yacht Club	5 to 7 Years
Building 62	Warehouse	998 Avenue N	5,000	Warehouse	Poor	$0.41	W Wong Construction	5 to 7 Years
Building 2	Hangar 2	300 California Ave	138,661	Warehouse/Manufacturing	Good	$0.15	Island Creative	7 to 9 Years
Building 497	Ship Shape	850 Avenue I	5,760	Meeting Room	Good	$0.00	TIHDI	9 to 11 Years
Building 502	Childcare	850 Avenue D	10,123	Childcare Center	Good	$0.00	Kidango	9 to 11 Years
Building 402	Gymnasium	749 - 9th St	30,565	Gym	Good	$0.00	YMCA	9 to 11 Years
Building 229	Club House	651 - 8th St	20,723	Charter High School	Good	$0.00	Delancey Street LLA	9 to 11 Years

Reportedly, the lease structure for the available office suites within the Administrative Building are going to be leased on a gross basis, whereby the sub-landlord is responsible for all expenses aside from the tenant's prorata share of the possessory interest tax, which is estimated at approximately $0.05 per square foot.

The nature of the subject sub-leases poses constraints on the marketability of the subject properties, especially those properties which are unimproved or in poor condition. Potential tenants would not be willing to spend money improving the properties, as well as not be able to secure any loan funding for improvements, due to the month-to-month terms available. Significant consideration is given to the fact that the subject properties must be leased on an as-is basis and the tenants will be required to bring the buildings/properties up to a usable condition. No major improvements will likely be made because the tenancies will be on an interim basis only. Also, the fact that a number of the buildings are not served by utilities and do not have water, restrooms, or heat, is significant. Based on these factors, many of the properties are considered to have no economic rental value.

The rent roll for the tenanted subject properties is provided on the following page.

F. City and County of San Francisco Leasing Process

The subject properties are reportedly subject to a more lengthy and complex leasing process than is typically found in the market. The City's process includes various items over and above a private sector lease transaction. These items consist of the following: Business Term Agreement, Lease Preparation and Transmittal, Lease Negotiation, Lease Approval by TIDA (which requires Board Package Preparation, Sunshine Act, and calendaring requirements for the monthly meeting), Lease Approval by Navy, and Lease Approval by HRC. In addition, a prospective tenant must become an "approved vendor", which includes the Equal Benefits Certification, Minimum Compensation, and Healthcare Ordinance. Conversations with market participants indicate that the process and items required by the City are somewhat lengthier and more complicated than typical market transactions, which is an additional constraint to the marketability of the subject properties.

It is estimated that the required leasing process takes approximately 3 months from initiation to execution. The lengthy and complex leasing process, as described above, is considered in our market rate conclusions for the subject properties. However, if the current leasing process actually takes more time than the appraisers have taken into consideration, than the ability to achieve the concluded rental rates could be negatively impacted.

IV. HIGHEST AND BEST USE AND METHODOLOGY

A. Highest and Best Use Analysis

The highest and best use is that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.

Treasure Island comprises approximately 403 acres of land which is level and has a large amount of water frontage. As a vacant site, the Island would represent the largest undeveloped parcel in the City of San Francisco, and a combination of residential and commercial uses are considered to be the highest and best use of the land as if vacant.

The majority of the subject properties are improved with a variety of older buildings, many of which date back to World War II. Treasure Island was a full service naval base, designed to be self-contained and self-supporting, with a combination of industrial, commercial, residential, and recreational facilities on site. Some of the subject properties are beyond their economic life and are either unsafe or infeasible to lease. On a long term basis, Treasure Island and the subject properties are considered to be a redevelopment site. Based on the above factors, the highest and best use of the subject properties as improved, is concluded to be ultimate redevelopment, with interim use of the existing buildings until that redevelopment occurs, and renovation of the historic structures as appropriate.

This appraisal considers the market rent of the subject properties on a month-to-month basis with no new tenant improvements provided.

The interim highest and best use conclusions for the subject properties, considering the terms of the proposed subleases, are discussed below and listed on the table following page 7 of this report.

Industrial/Warehouse Buildings:

The subject industrial Buildings 180 (Building 180), 2 (Hangar 2), 3 (Hangar 3), 62 (Commissary, the 5,000 square foot usable portion), 670 (Brig), and 671 (Carpentry Shop) are considered to be in rentable condition with at least some economic life remaining. The properties vary in terms of size and condition, and the concluded range of market rental rates for these properties, as discussed in more detail in the following section of this report, is between $0.10 and $0.60 per square foot, on a triple net basis. Buildings 180, 2, 3, and the 5,000 square foot usable portion of Building 62, are improved as general industrial warehouse spaces, which is considered consistent with their interim highest and best use.

Building 670 (Brig) is in good condition, and was originally constructed as a jail. However, the building was never used and has been vacant since approximately the 1980's. Use as a jail is considered, but the limited demand as well as the potential costs associated with specific improvements required by a tenant would be problematic, given the month-to-month, as-is nature of the lease. Also, the building no longer meets the code for a detention facility, as the codes have changed since the time the building was constructed. Potential use as a group housing facility is also considered, but the costs associated with improving the building in order to be usable as a group housing facility, as well as the potential stigma of the building based on its originally intended use, pose serious issues in regard to its marketability as a group housing facility. As such, the interim highest and best use of this building is concluded to be as a storage space. Other undetermined uses such as an artist studio or club meeting hall are also considered. However, based on the as-is and month-to-month nature of the lease, such tenants would not be willing to lease the subject building at a premium over the potential rate for use as a storage space.

Building 671 (Carpentry Shop) is a special purpose structure, improved as a carpentry shop and is in average condition. However, the building has very little space for storage as a shop and is considered to have limited utility. As such, the concluded highest and best use of this building is concluded to be as storage space or an artist studio.

Subject Building 34 (Commissary) contains approximately 19,038 square feet, of which approximately 1,000 square feet is currently leased to the Golden Gate Rugby Club as meeting space and discussed in a following section, and the remaining 18,038 square feet of the building is in poor condition and potentially used as storage space. However, the storage space is not considered to have economic rental value due to its poor condition and functional utility. Potential tenants would not be willing to spend the money needed to bring the space to usable condition due to the as-is and month-to-month terms available.

The remainder of the subject industrial structures, include Buildings 69 (Shed), 201 (Navy Exchange), 216 (RV Storage), 258 (Post Office), 292 (Avenue I-Warehouse), and 330 (Gas Station). These buildings are considered to be in very poor or condemned condition. Specifically, Buildings 69, 201, and 216 contain closely spaced interior columns which seriously limit functional utility. Based on the above factors, the subject Buildings 69, 201, 216, 258, 292, and 330 are considered to have no economic rental value.

Fields:

The subject includes several open fields which are described in the table following page 7 of this report. Field F is currently improved with fencing and is paved, the

Rugby Field is improved as a basic grass sports field, the Great Lawn is improved with a lawn, and the remaining fields are completely unimproved.

The development of a sports field is not considered a potential interim highest and best use of the unimproved fields or the paved field, as the costs of development are considered prohibitive under the as-is and month-to-month terms of the existing sub-lease agreement. As discussed in more detail later in this report, potential use of the fields as yard storage space is considered the interim highest and best use. The paved and fenced field is estimated to yield the highest rental rate at $0.15 per square foot, due to its superior improvements, while the concluded rate for the unimproved fields is $0.05 per square foot, which is toward the low end of the range indicated by the comparables. The Rugby Field, which is currently improved as a basic grass sports field, and the Great Lawn, which is improved with a lawn and occasionally leased for events or photo shoots, are concluded to potentially yield $0.05 per square foot, which is a market rental rate similar to the rate the field could yield if leased in its current condition for yard storage.

Office/Service Commercial/Assembly Buildings:

The subject office/service commercial/assembly Buildings 1 (Administrative Building), 34 (Commissary, the 1,000 square foot Rugby Club portion), 140 (Nimitz Conference Center), 229 (Club House), 265 (Library), 298 (Yacht Club), and 497 (Ship Shape) are considered to be in rentable condition with at least some economic life remaining. The properties vary in terms of size and condition, and the concluded range of market rental rates for these properties, as discussed in more detail in a following section of this report, is between $0.25 and $1.00 per square foot, on a triple net or full service basis. These properties are generally improved as office/service commercial/assembly spaces, which is considered consistent with their interim highest and best use. Building 140 (Nimitz Conference Center) is also considered for potential use as an events venue. However, the improvements are dated and the location of the building on the Island lacks views of the Bay. As such, its appeal as an events venue is somewhat lacking, and its interim highest and best use is concluded to be for use as general office/assembly space.

Building 227 (Fog Watch) is improved as a potential events venue or conference center. However, the improvements are dated, and the building lacks heat and insulation, has a rotted gutter system, a blistering roof, and contains mold. Potential tenants would most likely be unwilling to spend the money needed to bring this building up to usable condition due to the as-is and month-to-month terms available and the cost of the improvements. As such, this building is concluded to have no interim economic rental value.

BUILDING INVENTORY
Appraisal of Treasure Island - Various Commercial Buildings
San Francisco, California

Ref. No	Bldg No	Name	Building Area	Stories	Const. Type	Tenant	Interim HBU	Condition	Description
1	1	Admin Bldg (Historic)	149,799	4 +Bsmt		Administration	Office	Average	Various suites available within larger building. Attractive Art Deco building with ample parking. Building lacks elevator, rest rooms not ADA compliant, and roof leaks on upper floors.
2	180 180	Building 180 Building 180	77,481 6,586	1 1 & 2	Wood Wood	Calif. Logistics Beyond Productions	WH / Storage WH / TV Prod.	Good Good	Large wood frame warehouse building in good condition. Fully occupied. Double barrel roof with approximately 40 foot clear height. No heat or insulation.
3	2	Hangar 2 (Historic)	138,661	1 & 3	Concrete & Steel	Island Creative	WH	Average	Large wood frame hangar / warehouse building in average condition. Wood roof, approx 50-60 feet high at peak. No columns. Good natural light, limited artificial. 3-stories of offices built inside, which was former Nash Bridges set. No heat or insulation.
4	3	Hangar 3 (Historic)	144,767	1	Concrete & Steel	Vacant	WH / Storage	Fair	Similar to Bldg 2, but worse condition. Major roof leak, mold smell, and concrete floor cracked throughout. No heat or insulation.
5	34	Commissary	1,000 18,038 19,038	1	Wood	Rugby Club Vacant	Office/Meeting No Econ. Value	Good & Poor	One-story wood frame building w/ no windows. Rugby Club occupies approx 1000 sf of bldg & has made cosmetic improvements. Their space includes a kitchen with a grill and sink, meeting area, locker rooms. Balance of building used as strorage and in poor condition. No heat or insulation.
6	216	RV Storage	58,140	N/A	Wood	Vacant	No Econ. Value	Fair	Open shed with 12 foot fencing. Wood columns at approx 15 feet, which limits utility.
7	670	Brig	25,110	2	Concrete	Vacant	Storage	Good	Concrete structure, steel frame use. Never been used. Built as a jail with full kitchen, cafeteria, restrooms, showers, some individual cells, and enclosed yards. Keeps constant and cool tempurature.
8	671	Carpentry Shop	1,200	1	Metal Shed	Vacant	torage/Art Studio	Average	Metal shed, contains woodshop equipment, small office, and restroom. One roll up door.
9	330	Gas Station	4,030	1	Wood/ Stucco	Vacant	No Econ. Value	Poor	Gas station with 5 roll up doors and 5 bays. Electrical system has been copper mined. Generally vandalized and in poor condition. Could be used for storage only.
10	201	Navy Exchange	88,354	1	Wood	Vacant	No Econ. Value	Poor	Wood frame warehouse building with wood columns, close together. Grade doors broken or in disrepair. Roof leaks. No heat, no insulation.
11	497	Ship Shape	5,760	1	Metal	Ship Shape	Office/Meeting	Average	Metal bldg used as community meeting hall. Appraisers not permitted to inspect interior.
12	502	Childcare	10,123	1	Wood	Kidango	Childcare Center	Good	Attractive building with kitchen, classrooms, and play yard. Administrative and large multi-purpose areas as well. Roof appears to be leaking over kitchen area.
13	258	Post Office	50,672	2	Wood	Vacant	No Econ. Value	Poor	Electrical & plumbing systems copper mined. Vandalized. Roof leaks. Ceiling tiles falling. No heat or insulation. No ADA. Very poor condition.
14	140	Nimitz Conf. Center	24,169	1	Wood	Vacant	Office/Assembly	Average	Bldg in usable condition. Contains full kitchen, 2 main ballrooms", separate bar area, enclosed patio with fireplace, an office, and conference rooms. No heat or insulation.
15	271	Casa de la Vista	7,788	1	Wood	Used on weekends	Events Venue	Good	Attractive events venue building with excellent views. Full kitchen and courtyard. Recently renovated. Rented on weekends for approx. $3,350/per day.
16	265	Library	8,392	1	Wood	Glide Foundation	Office/Assembly	Average	Mix of office and open area. Currently used as training facility by Glide. Offices are heated. Open area used for carpentry training.
17	227	Fog Watch	13,200	1	Wood & Stucco	Vacant	No Econ. Value	Fair	Building contains full kitchen in back with conference/bar meeting room in front with City views. No heat, no insulation. Some mold smell, not ADA, gutter system rotted, roof is blistering.
18	146	Gatehouse	675	1	Wood & Brick	Guards	Retail	Average	Building contains a restroom. Currently used by security guards. Located at entrance of Treasure Island w/ good visibility. No heat, no insulation, no parking.

Source: Carneghi-Blum & Partners, Inc., February 2007

BUILDING INVENTORY
Appraisal of Treasure Island - Various Commercial Buildings
San Francisco, California

Ref No	Bldg No	Name	Building Area	Stories	Const. Type	Tenant	Interim HBU	Condition	Description
19	183	Trailer	640	1	Trailer	Delancey Street Cafe	Retail/Cafe	Average	Building used as a cafe with small seating area in front and open kitchen area and eating counter in back. Also has outside eating area
20	298	Yacht Club	1,188	1	Wood	TI Yacht Club	Office/Meeting	Fair	Building does not contain water or restroom, no heat, no insulation. Does have access to nearby restroom facilities.
21	69	Shed	2,468	1	Wood & Steel	Vacant	No Econ. Value	Poor	Steel frame bldg w/ wood siding. Double peaked, steel truss roof system. Roof leaks. Reportedly building has collapsed sewer line. Bathroom vandalized and non-functioning. Interior wood columns
22	229	Club House	20,723	1	Wood	Life Learning Academy / School	Office/School	Average	Building contains large multi-purpose/meeting rooms and classrooms. Full kitchen, computer lab and library, restrooms, and yard area
23	402	Gymnasium	30,565	1	Wood & Steel	YMCA	No Econ. Value	Good	Bldg contains large, open basketball courts. Raquetball courts also located in building. Corridor contains ADA and non-ADA restrooms. Small aerobics room and equipment storage rooms. Metal roof.
24	292	Avenue I - WH	5,000	1	Wood	Vacant	No Econ. Value	Poor	Wood frame bldg in poor condition and very dilapidated. Building leaks all over with holes in walls and doors
25	62	Building 62	35,611	1	Wood & Stucco	Wong Construction	Storage	Poor	Majority of building is uninhabitable, as the roof has caved in. Wong Construction leases approx 5,000 sf of space in poor condition, used as storage with some shared yard space and a dock
	Fields								
	F		87,120				Yard Storage		Fenced and paved yard space.
	I		130,680				Yard Storage		Unimproved open space - no fence, unpaved
	H		87,120				Yard Storage		Unimproved open space - no fence, unpaved
	E		130,680				Yard Storage		Unimproved open space - no fence, unpaved
	Rugby		54,000				Yard Storage / Sports field		Improved as rugby playing field
	California		100,000				Yard Storage		Unimproved open space - no fence, unpaved
	Great Lawn		106,182				Yard Storage		Improved as open lawn area

Source: Carneghi-Blum & Partners, Inc., February 200
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Retail Buildings:

The subject Buildings 146 (Gatehouse) and 183 (Café) are relatively small, ranging in size from approximately 640 square feet to 670 square feet. Building 146 is currently used as a guard gate. However, its location at the entrance of Treasure Island could lend itself to a small concession stand/souvenir/coffee booth serving the tour buses which regularly come to this part of the Island. Building 183 is currently occupied by Delancey Street Café which is open for breakfast and lunch. The property is in average condition and built out with a kitchen area, dining area, and outside patio seating.

As a retail location, Treasure Island is considered inferior to nearby active markets such as San Francisco and Oakland. However, some demand does exist from Island residents, the local work force, boating and sailing enthusiasts, and the somewhat consistent stream of tourists visiting the Island while on bus tours.

The interim highest and best use for the subject Buildings 146 and 183 are concluded to be for retail use based on their small sizes, current build outs, and location near the water and the entrance into the Island where the most constant level of traffic flows.

Casa de la Vista:

The subject Building 271, Casa de la Vista, is an attractive events venue building with excellent views, full kitchen, and a court yard. The building is in good condition and currently leased for wedding receptions/private events, which is considered consistent with the interim highest and best use of the building. Other potential uses include general conference/meeting space, which could be a possible use during the week, as weddings/private events generally take place on the weekends. Office use is another potential use, however, the current build out is more in line with its existing use as a venue for wedding receptions and private events, or as a potential space for professional conferences/meetings.

Childcare:

Subject Building 502 (Childcare) is in good condition, significantly improved and currently used as a daycare facility. Daycare facilities require extensive build-out, such as children's restrooms and play yards. Having such tenant improvements in place increases the building's desirability to a similar potential tenant. Other uses are considered, such as general office or service commercial. However, due to the existing build out, which makes the building especially desirable to daycare tenants, it is unlikely that an office or service commercial user would be willing to spend the money needed to convert the daycare specific features of the building based on the

as-is and month-to-month terms available. As such, the existing use is considered consistent with the interim highest and best use of the building.

Gymnasium:

The subject Building 402 (Gymnasium) is improved as a gymnasium and currently occupied by YMCA, free of rent. The tenant is responsible for all costs associated with maintaining the building. Recent athletic club leases are summarized on the following page, indicating rates of $0.75 to $1.66 per square foot. However, these leases are not considered good indicators for the subject, which is considered to have an isolated location on Treasure Island, which has a small resident population. As such, there is very little demand for a retail athletic club which would rely on membership dues in order to be profitable. Comparable 5 is the most relevant indicator for the subject building. The Rodman Recreation Center, located on Mare Island's former naval base is currently sitting vacant due to the costs associated with maintaining the facility in relation to its ability to generate income. According to Mr. David Garland, the property manager for the Mare Island's former naval base, the property is not being maintained at this time and there are no plans to list the property for rent at this time.

Due to the limited demand, no interim economic rental value is concluded for the subject Building 402. An arrangement similar to the current arrangement with the YMCA is considered to be preferable to keeping the building vacant.

B. Appraisal Methodology

Market rent is typically estimated based on a Direct Comparison approach whereby recent leases for spaces considered similar are researched and analyzed in order to conclude market rent for the subject spaces. Adjustments are typically required for various differences between the subject property and the comparables, such as location, size, terms of the lease, existing build out, and condition and quality of improvements. The comparable leases are adjusted in order to estimate the value of the subject property. The following section includes the presentation and analysis of comparable rental data used to conclude market rental rates for the subject properties.

Treasure Island is a formal naval base and considered a very inactive commercial area located in between the Cities of San Francisco and Oakland. Leasing activity in these cities is considered in concluding market rent for the subject buildings. Comparable leases located in Alameda and on Mare Island in Vallejo are considered relevant to the subject due to their similar locations on islands as well as the fact that they housed former naval bases and are now slated for redevelopments similar to Treasure Island. Leases in these areas are also considered. In terms of proximity,

Athletic Club Leases
Appraisal of Various Commercial Buildings on Treasure Island
San Francisco, California

#	Tenant / Location	Sign Date	Size (SF) /	Term (Years)	NNN Monthly Rent/SF	Escalations	TI's/ Free Rent	Comments
1	**Mavericks Sports Club** 5294 Clayton Road Concord	3/06	66,753	15 + opts.	**$0.75**	Yr 1-5 = flat Yr 6-10 = 10% Yr 11-15 = 10%	As-Is None	Sale-leaseback of large club located in shopping center. Concrete tilt-up construction. Parking lot in front.
2	**Prime Time Athletic Club** 1730 Rollins Road Burlingame	2/05	30,200	20	**$1.66**	Yr 1-5 = flat Yr 6-20 = CPI Annually	As-Is None	Established full service club located in industrial district. Includes two levels and member parking in lot.
3	**Royal Athletic Club** 1718 Rollins Road Burlingame	6/04	30,000	20	**$1.00**	Yr 1-5 = flat Yr 6-20 = CPI Annually	As-Is None	Established club, with pool, located in industrial district. Includes parking for members. Same owner as Prime Time AC.
4	**24-Hour Fitness** 373 Gellert Boulevard Daly City	6/04 (renewal)	17,500	5	**$1.11**	4% Annually	As-Is None	Club located within Serramonte Plaza. Exercise of option. Some reserved parking spaces in common lot.
5	**Vacant - Rodman Rec Center** Mare Island Vallejo				**$0.00**			Rec Center contains swimming pool, bowling alley, & theatre. Bldg. is currently vacant due to the cost of keeping it open.

Source: Carneghi-Blum & Partners, Inc., February 2007
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San Francisco and Oakland are considered most relevant, yet both cities are generally considered superior to Treasure Island, with established markets and superior access.

V. FAIR MARKET RENTAL VALUE ANALYSIS AND CONCLUSION

In analyzing fair market rental value for the subject properties, recent leasing activity for various types of uses in the surrounding marketing areas are considered.

A. Comparable Industrial/Warehouse Leases and Analysis

The table on the following page shows the inventory of existing industrial/warehouse buildings which comprise a portion of the subject properties. The buildings vary in terms of size and condition. In estimating the market rent for the various industrial buildings, recent leasing activity for various types of industrial buildings in the surrounding market areas are considered. The table following the subject Industrial Building Inventory table contains 14 recent leases of industrial/warehouse which are summarized.

The comparable spaces range in size from approximately 4,300 square feet up to 214,813 square feet, and represent a variety of construction types and dates of construction. The rental rates indicated range from $0.18 per square foot to $0.70 per square foot on a triple net or equivalent basis. Comparable leases located in Alameda and on Mare Island in Vallejo are considered relevant to the subject industrial buildings due to their similar locations on islands as well as the fact that they are also former naval bases with similar industrial buildings of the same vintage and quality as the subject properties. In terms of proximity, San Francisco and Oakland are considered most relevant, yet both cities are generally considered superior to Treasure Island, with established markets and superior access. Secondary East Bay industrial areas of Hayward and San Leandro are also considered generally comparable to the subject industrial properties.

The subject Buildings 180 (Building 180), 2 (Hangar 2), and 3 (Hangar 3) are the largest spaces. These buildings are large warehouse buildings and former airplane hangars. Building 180 is in good condition and contains two tenant spaces of 77,481 square feet and 6,586 square feet. California Logistics leases the larger space for $0.20 per square foot, triple net, and Beyond Productions leases the smaller space for $0.65 per square foot, triple net. Building 2 contains approximately 138,661 square feet and is in average condition and is leased to Island Creative for $0.15 per square foot, triple net. Building 3 is currently vacant and contains 144,767 square feet. This building is in fair condition.

For these buildings, Comparables 1a and b, 3, 4, 9, 10, and 14 are considered the most relevant indicators of market rental value, and indicate a range of rates between $0.18 and $0.70 per square foot on a triple net basis. Comparable 3 is the recent lease of a 110,561 square foot hangar building on the former Naval Base on Alameda for $0.21 per square foot. The location is considered similar to the subject location,

INDUSTRIAL BUILDING INVENTORY
Appraisal of Treasure Island - Various Commercial Properties
San Francisco, California

Ref No	Bldg No	Name	Building Area	Stories	Const. Type	Tenant	Current or Potential Use	Condition	Description
2	180 180	Building 180 Building 180	77,481 6,586	1 1 & 2	Wood Wood	Calif Logistics Beyond Productions	WH / Storage WH / TV Prod.	Good Good	Large wood frame hangar / warehouse building in good condition. Fully occupied. Double barrel roof with approx 40 foot clear height. No heat or insulation
3	2	Hangar 2 (Historic)	138,661	1 & 3	Concrete & Steel	Island Creative	WH	Average	Large wood frame hangar / warehouse building in average condition. Wood roof, approx 50-60 feet high at peak. No columns. Good natural light, limited artificial. 3-stories of offices built inside, which was former Nash Bridges set. No heat or insulation
4	3	Hangar 3 (Historic)	144,767	1	Concrete & Steel	Vacant	WH / Storage	Fair	Similar to Bldg 2, but worse condition. Major roof leak, mold smell, and concrete floor cracked throughout. No heat or insulation.
25	62	Building 62	35,611 (5,000 sf portion)	1	Wood & Stucco	Wong Construction	Storage	Poor	Majority of building is uninhabitable, as the roof has caved in. Wong Construction leases approx 5,000 sf of space in poor condition, used as storage with some shared yard space and a dock
7	670	Brig	25,110	2	Concrete	Vacant	Storage	Good	Concrete structure, steel frame use. Never been used. Built as a jail with full kitchen, cafeteria, restrooms, showers, some individual cells, and enclosed yards. Keeps constant and cool temperature
	671	Carpentry Shop	1,200	1	Metal Shed	Vacant	Storage/Art Studio	Average	Metal shed that contains woodshop equipment, small office and restroom. One roll up door
5	34	Commissary	1,000 18,038 19,038	1	Wood	Rugby Club Vacant	Office/Meeting No Econ. Value	Good & Poor	One-story wood frame building w/ no windows. Rugby Club occupies approx 1000 sf of bldg & has made cosmetic improvements. Their space includes a kitchen with a grill and sink, meeting area, locker rooms. Balance of building used as storage and in poor condition. No heat or insulation.
21	69	Shed	2,468	1	Wood & Steel	Vacant	No Econ. Value	Poor	Steel frame building with wood siding. Double peaked steel truss roof system. Roof leaks. Reportedly bldg has collapsed sewer line. Bathroom vandalized and non-functioning. Interior wood columns
10	201	Navy Exchange	88,354	1	Wood	Vacant	No Econ. Value	Poor	Wood frame warehouse building with wood columns, close together. Grade doors broken or in disrepair. Roof leaks. No heat, no insulation.
6	216	RV Storage	58,140	N/A	Wood	Vacant	No Econ. Value	Fair	Open shed with 12 foot fencing. Wood columns at approx 15 feet, which limits utility
13	258	Post Office	50,672	2	Wood	Vacant	No Econ. Value	Poor	Electrical & plumbing systems copper mined. Vandalized. Roof leaks. Ceiling tiles falling. No heat or insulation. No ADA. Very poor condition.
24	292	Avenue 1 - WH	5,000	1	Wood	Vacant	No Econ. Value	Poor	Wood frame bldg in poor condition and very dilapidated. Building leaks all over with holes in walls and doors
9	330	Gas Station	4,030	1	Wood/ Stucco	Vacant	No Econ. Value	Poor	Gas station with 5 roll up doors and 5 bays. Electrical system has been copper mined. Generally vandalized and in poor condition. Could be used for storage only

Source: Carneghi-Blum & Partners, Inc., February 2007
07-ASF-024,07asf024valconclusions

Comparable Industrial Leases

Appraisal of Various Commercial Properties on Treasure Island
San Francisco, California

#	Tenant / Location	Sign Date	Leased Area	Term	Monthly Rent/SF	Escalations	TIs/SF Free Rent	Comments
1a	Sasco Electric Port of San Francisco - Pier 26 San Francisco	3/07	4,817	6 mos	**$0.70** NNN	Flat	As-Is None	Older warehouse building in fair condition. Tenant has one roll up
1b	Land and Sea Restaurants Port of San Francisco - Pier 26 San Francisco	3/07	4,300	5 Years	**$0.70** NNN	Annual 3.5% increase	As-Is None	Older warehouse building in fair condition. Tenant has one roll up
2	Battlebots 1024 Nimitz Ave - Mare Island Vallejo	1/07	5,000	Mo-to-Mo	**$0.25** NNN	Flat	As-Is None	Older warehouse bldg with no heat or insulation. Below avg. condit
3	Trans-Freight Express 1190 W. Tower Ave. - Naval Alameda	10/06	110,561	5 Years	**$0.21** NNN	Annual 3% increase	As-Is None	Hangar building leased to a WHE distribution tenant. Fair condit
4	C-Trans 699 C Street - FISC Alameda	9/06	180,000	1 Year	**$0.18** NNN	Flat	As-Is None	Pure warehouse space
5	Berkeley Repetory Theater 2526 Wood Street Oakland	12/05	17,000	4 Years	$0.43 IG ($0.06) Exp **$0.37** NNN	3% annual increases	As-Is None	Bldg is of steel construction and has one grade level door and approx. 2,000 square feet of office space
6	Tension Envelope Corp 610 85th Avenue Oakland	11/05	79,665	7 Years	**$0.45** NNN	3% annual increases	As-Is None	Building constructed in 1999 and in good condition. Clear height 26'
7	Bay Port Warehouse 750 139th Avenue San Leandro	10/05	40,000	5 Years	**$0.37** NNN	Annual increases of $0.01/SF/Mo	As-Is 2 months	Warehouse bldg constructed in 1963. Contains approx. 12% office space. 24' clear height
8	WPX Courier 2486 Verna Court San Leandro	10/05	17,861	5 Years	**$0.30** NNN	Year 2: $0.34 Year 3 - 5: Annual increases of $0.01/SF/Mo	As-Is 2 months	Warehouse bldg constructed in 1982. Contains approx. 6% office
9	Graybar Electric 1760 Cesar Chavez Street San Francisco	7/05	30,300	5 Years	$0.80 IG ($0.10) EXP **$0.70** NNN	3% annual increases	As-Is 2 months	Includes 8 grade level doors and 16' clearance height
10	Waste Management 31775 Hayman Street Hayward	5/05	214,813	10 Years	**$0.36** NNN	3% annual	$9.31 None	Metal building constructed in approximately 1966 with very minimal office space
11	National Auto Parts 2855-2863 Mandela Parkway Oakland	1/05	32,433	2.5 Years	$0.24 IG ($0.06) Exp **$0.18** NNN	Effective rent of $0.24/SF/Mo	As-Is 1 Month	Bldg contains approx. 3% office buildout. Leased as-is; in fair cond
12	Sugar Bowl Bakeries 2025 McKinnon Avenue San Francisco	3/04	18,000	6.5 Year	$0.67 IG ($0.09) Exp **$0.58** NNN	3% annual	As-Is 1 Month	Bayshore, concrete warehouse. High cubed with 22-foot ceiling height. One drive-in and two dock hi doors
13	Penn Logistics 2498 W. 20th Street Oakland	3/04	46,728	2 Years and 2 Months	**$0.24** NNN	Months 2-3 = $0.15/SF/Mo Months 4-12 = $0.24/SF/Mo Months 13-26 = $0.28/SF/Mo	As-Is 1 Month	Woodframe bldg near Oakland Army Base. Bldg has multiple dock-high doors, but is in poor condition
14	DHE 7200 Edgewater Drive Oakland	9/03	100,900	5 Years	**$0.35** NNN	Annual $0.01/SF/Mo increases	As-Is None	Bldg is of concrete construction and has an office build out of approx. 2%

Source: Cornerstone Blum & Partners, Inc. February 2007
07-19F-024 07024mlease.

but the terms of the comparable lease are considered superior. A slightly higher rate is indicated for the larger space in the subject Building 180, which is smaller than the comparable and superior in terms of condition. The subject building 2 is slightly larger in size than the comparable, but this is offset by the subject's slightly superior condition. Overall, a slightly lower rate is indicated for Building 2 based mainly on the terms of the lease.

Subject Building 3 is the largest subject industrial building and is considered to be in fair condition with various items of deferred maintenance noted. For subject Building 3, Comparable 4 is considered a good indicator, as it is the short-term lease of a large, pure warehouse space. However, a downward adjustment is warranted due to the comparable's superior condition.

The high end of the comparable range is represented by Comparables 1a, 1b, and 9, which are all leased at a rate of $0.70 per square foot. Comparables 1a and 1b represent slightly smaller spaces in fair condition, located in the Port of San Francisco. Comparable 9 is the lease of a larger industrial space in the Potrero Hill district of San Francisco. These leases are most comparable to the smaller space in subject Building 180. The location of the comparables is considered much superior to the subject space. For Comparables 1a and 1b, this factor is partially offset by the subject's superior condition. For Comparable 9, this factor is partially offset by the subject's smaller size. Overall, a lower rate is indicated for the smaller space in subject Building 180.

Based on the comparables, the concluded market rent for Building 180 is $0.25 per square foot for the larger space and $0.60 per square foot for the smaller space. For the subject Building 2, the concluded market rent is $0.15 per square foot. For the subject Building 3, the concluded market rent is $0.10 per square foot. These rates are concluded on a triple net basis with no new tenant improvements. The current tenant in the larger space of the subject Building 180 appears to be paying a slightly below market rate, the current tenant in the smaller space of the subject Building 180 appears to be paying a slightly above market rate, and the current tenant in subject Building 2 appears to be paying a market rate.

Subject Building 62 contains approximately 35,611 square feet, of which only 5,000 square feet is currently usable. The remainder of the building is in extremely poor condition, with a caved in roof, and is not considered usable. Wong Construction currently leases approximately 5,000 square feet of storage space, which is also in poor condition, but considered usable for storage. The leased portion of the building contains a dock and some shared yard space. The current tenant pays $0.41 per square foot, triple net. Comparables 1a and b, 2, 11, and 12 are considered most relevant, and indicate a range of rental rates between $0.18 to $0.70 per square foot on a triple net basis. Comparable 2 is the month-to-month lease of a similar sized

space in similar condition, located on Mare Island. The space is leased for $0.25 per square foot on a triple net basis. The subject is considered to have a slightly superior location, and a slightly higher rate is warranted. Comparable 12 is the lease of a larger space, located in the Bayshore District of San Francisco, at a rate of $0.58 per square foot. Overall, a much lower rate is concluded for the subject space based on location and condition. Based on the comparables, the concluded range of rental rates for the habitable portion of the subject Building 62 is between approximately $0.30 to $0.40 per square foot. A mid-range rate of $0.35 per square foot is concluded. This rate is concluded on a triple net basis with no new tenant improvements. The current tenant appears to be paying a slightly higher than market rate.

Subject Building 670 (Brig) contains approximately 25,110 square feet and was reportedly built in the 1980's as a brig. The building has never been used and is in generally good condition. Use as a jail is considered, but the limited demand as well as the potential costs associated with specific improvements required by a tenant would be problematic, given the month-to-month, as-is nature of the lease. Also, the building no longer meets the code for a detention facility, as the codes have changed since the time the building was constructed. Potential use as a group housing facility is also considered, but the costs associated with improving the building in order to be usable as a group housing facility, as well as the potential stigma of the building based on its originally intended use, pose serious issues in regard to its marketability as a group housing facility. As such, the interim highest and best use of this building is as a storage space. The building is considered to be in good condition, however, it lacks the typical functionality of a warehouse. Therefore, a rental rate toward the lower end of the range indicated by the comparables is considered justified for this building. Based on the comparables, the concluded rate for the subject Building 670 (Brig) is $0.25 per square foot, triple net with no new tenant improvements. Other undetermined uses such as an artist studio or club meeting hall are also considered. However, based on the as-is and month-to-month nature of the lease, such tenants would not be willing to lease the subject building at a premium over the previously concluded rate for use as a storage space.

Building 671 (Carpentry Shop) is a special purpose structure, improved as a carpentry shop and is in average condition. The building has very little space for storage as a shop and is considered to have limited utility. As such, the concluded highest and best use of this building is concluded to be as storage space or an artist's studio, which would command a similar rate to storage. Comparable 1 is considered most relevant, and indicates a rental rate of $0.25 per square foot on a triple net basis. Comparable 2 is the month-to-month lease of a 5,000 square foot space in inferior condition, located on Mare Island. The space is leased for $0.25 per square foot on a triple net basis. The subject is smaller and is considered to have a superior location and condition. A higher rate is warranted. Based on the comparables, the

concluded rate for the subject Building 671 is $0.35 per square foot, triple net with no new tenant improvements.

Subject Building 34 (Commissary) contains approximately 19,038 square feet, of which approximately 1,000 square feet is currently leased to the Golden Gate Rugby Club as meeting space and analyzed in a following section of this report. The remainder of the building is in poor condition and potentially used as storage space, however, the space is not considered to have economic rental value due to its very poor condition and functional utility.

The remainder of the subject industrial buildings, include Buildings 69 (Shed), 201 (Navy Exchange), 216 (RV Storage), 258 (Post Office), 292 (Avenue 1-Warehouse), and 330 (Gas Station). These buildings are considered to be in very poor or condemned condition. Specifically, Buildings 69, 201, and 216 contain close interior columns which seriously limit functional utility. Based on the above factors, the subject Buildings 69, 201, 216, 258, 292, and 330 are considered to have no economic rental value.

Based on the comparables, and considering the constraints of the subject sub-lease agreement, with month-to-month terms and no new tenant improvements, the concluded monthly market rental rates, on a triple net basis, for the subject's various types of industrial properties are listed below:

Building 180 (California Logistics) (Larger Space)	$0.25 per square foot
Building 180 (Beyond Productions) (Smaller Space)	$0.60 per square foot
Building 2 (Hangar 2)	$0.15 per square foot
Building 3 (Hangar 3)	$0.10 per square foot
Building 62 (Building 62) (5,000 sf usable portion)	$0.35 per square foot
Building 670 (Brig)	$0.25 per square foot
Building 671 (Carpentry Shop)	$0.35 per square foot
Building 34 (Commissary) (18,038 sf storage space)	No Economic Rental Value
Building 69 (Shed)	No Economic Rental Value

Building 201 (Navy Exchange)	No Economic Rental Value
Building 216 (RV Storage)	No Economic Rental Value
Building 258 (Post Office)	No Economic Rental Value
Building 292 (Avenue I-Warehouse)	No Economic Rental Value
Building 330 (Gas Station)	No Economic Rental Value

Certain subject properties were concluded to have no interim economic rental values. However, it might be possible to generate a small amount of revenue from some of these properties. In some cases this may require that certain structures be demolished in order to be leased as yard space. However, we consider any potential revenues from these properties to be nominal in relation to demolition costs.

B. Comparable Field/Yard Leases and Analysis

The subject includes several open fields which are described in the table on the following page. The Field Inventory Table is followed by a comparable table summarizing a number of recent leases for storage yards at both Oakland and San Francisco Port facilities, the formal naval bases of Alameda and Mare Island, and within an industrial area of Oakland.

As shown on the table, the Port of San Francisco leases a number of yard areas. The rental rates for spaces currently range between $0.20 and $0.25 per square foot, depending on the level of improvements which range from completely vacant to paved and fenced. According to the Port there is very limited land available and rents have been increased to these high levels. Most of the spaces range between 10,000 and 15,000 square feet, but larger spaces of about 50,000 square feet are also leased. The majority of the tenants are contractors in need of lay down space and the rental rates are not tiered based on size. Comparable 2 is the minimum guidelines for the Port of Oakland. Rents range from $0.109 to $0.20 per square foot depending on the extent of paving and lighting. The Port of Oakland also reports strong demand for yard storage space, and currently has only one space available.

Comparables 3 and 4 are yard leases within the formal naval bases located on Mare Island and Alameda. These comparables are considered relevant indicators for the subject properties. The subject properties are considered to have a superior location for yard storage than these comparables, however, the comparables are fenced and paved, which is considered superior to the subject's completely vacant fields.

FIELD INVENTORY

Appraisal of Treasure Island - Various Commercial Buildings

San Francisco, California

Ref. No	Field Location / Identification	Site Area		Description
	F - 9th - 11th - H	87,120 2.0	SF Acres	Fenced and paved yard space.
	1 - M - 11th - 13th	130,680 3.0	SF Acres	Unimproved open space - no fence, unpaved.
	H - 1 - 11th - 13th	87,120 2.0	SF Acres	Unimproved open space - no fence, unpaved.
	E - H - 11th - 13th	130,680 3.0	SF Acres	Unimproved open space - no fence, unpaved.
	Rugby Field	54,000 1.2	SF Acres	Improved as Rugby playing field.
	Calfornia - F - 3rd - H	100,000 2.3	SF Acres	Unimproved open space - no fence, unpaved.
	Great Lawn	106,182 2.4	SF Acres	Improved as open lawn area.

Source: Carneghi-Blum & Partners, Inc., February 2007

07-ASF-024,07asf024valconclusions

Yard Leases

Appraisal of Various Commercial Properties on Treasure Island
San Francisco, California

	Tenant	Start Date	Lease Term	Leased Area (SF)	Monthly Rent	Monthly Rent/SF	Expense Structure	Remaining Escalations	Comments
1	Various Tenants Port of San Francisco-Maritime Rates San Francisco	Current	Generally 3 Years	10,000 to 50,000	N/A	**$0.20-$0.25**	Flat	Annual CPI	Unpaved w/o fencing: $0.20 psf Rocked w/o fencing: $0.22 psf Paved w/o fencing: $0.23 psf **Fencing equates to $0.02-$0.03 psf more. **Tenants required to add fencing at their own cost if a space is not already fenced.
2	Various Tenants Port of Oakland-Maritime Rates Oakland	Current	N/A	Various	N/A	**$0.11-$0.20**	N/A	N/A	Unpaved w/o lighting or fencing: $0.109 psf Rocked w/o lighting or fencing: $0.134 psf Rocked with lighting & fencing: $0.153 psf Paved w/o lighting or fencing: $0.161 psf Paved with lighting & fencing: $0.20 psf
3	Various Tenants Mare Island Vallejo	Current	Mo-to-Mo	20,000 to 100,000 (approx)	$2,000 to $5,000 (approx)	**$0.05-$0.10**	NNN	N/A	Various sized fenced and paved yards located on Mare Island - former naval base
4	Transfreight Express 350 W. Trident Avenue Alameda	3/07	2 Years	53,280	$5,228	**$0.10**	NNN	3% annual increases	Fenced and paved truck storage located on Alameda - former naval base
5	Pacer Cartage 850 92nd Avenue Oakland	8/05	2.5 Years	20,986	$3,700	**$0.18**	NNN	8/05 - 7/06 = $3,700/Mo 8/06 - 7/07 = $3,811/Mo 8/07 - 7/08 = $3,925/Mo	Includes 1,440 sf bldg

Source: Carneghi-Blum & Partners, Inc., February 2007
07-ASF-024 0702Aleases

Comparable 5 is a private yard area within an industrial portion of Oakland. A lease of approximately 20,986 square feet of paved and fenced land on 92nd Avenue is occupied at a rate of $0.18 per square foot, triple net. The space includes a small industrial building used for storage. A lower rate is indicated for the subject sites.

For the subject properties, several factors must be considered. The tenants are assumed to lease the land area on a triple net basis where they will incur the costs for possessory interest taxes, utilities if any, and insurance. Also, the properties are leased as-is and on a month-to-month basis. Currently, only Field F is fenced and paved. The remaining fields would require potential yard storage tenants to bring the properties up to a usable condition, which at a minimum would include the cost of fencing, which based on Marshall and Swift Valuation costs, is in the range of approximately $25.00 to $35.00 per lineal foot. The costs of paving is generally estimated to range between $2.50 to $5.00 per square foot, and varies depending on whether asphalt or concrete is used, and the thickness of the pavement.

For the subject properties which are completely vacant, the concluded market rent is toward the low end of the range at $0.05 per square foot. For the paved and fenced site, the concluded market rent is $0.15 per square foot. These rates are concluded on a triple net basis, in as-is condition on a month-to-month basis. The marketability of these sites would be significantly improved given the ability to contract a long-term lease.

An analysis of the subject fields for use as sports fields is also considered. According to Michael Cheetam of the San Francisco Recreation and Park Department, the general cost to rent a sports field in the City of San Francisco ranges from roughly $20 to $50 per hour, and the demand well exceeds the supply. Lamar Morrison, also with the Recreation and Park Department, estimated that the development of the most basic sports field would roughly cost somewhere in the range of $2.00 to $3.00 per square foot. Mr. Morrison also stated that while the initial development is less expensive than artificial turf fields, the maintenance of the basic grass fields is more costly and labor intensive due to extensive wear and tear, especially after rainy weather.

The appraiser spoke to various sports leagues in the City of San Francisco and researched the level of interest and potential funds available in order to develop the fields, maintain the fields, and pay rent as well. Chris Gaggero from the San Francisco Softball league said that while the demand for fields within his organization is high, they would not have the funds necessary to develop and maintain a sports field, let alone pay rent on top of those costs. Ian Clarke, President of the Golden Gate Women's Soccer League stated that his organization would very much like to privatize a field for their own use, however, as a non-profit, the costs to develop and maintain would almost definitely be insurmountable, especially given

the temporary nature of the lease. Discussions with several other local sports leagues echoed the same demand, but lack of sufficient funds and/or perceived futility of the temporary nature of the potential lease.

Tom Simpson, with the San Francisco Seals Soccer Club, demonstrated the most interest in the potential opportunity to develop a sports field on Treasure Island, given the reality of the development costs and the imminent redevelopment of the Island. However, costs were definitely of concern to him, and he stated that his interest was real but tentative.

In conclusion, the interim highest and best use of the subject fields appears to be low-end yard storage. Aside from Field F, these properties are unpaved and lack fencing. The Rugby Field is currently improved as a basic grass sports field, and could potentially yield a market rental rate similar to the rate the field could yield if leased in its current condition for yard storage. However, no premium is considered warranted based on the subject being improved as a Rugby Field due to the generally inability of sports organizations to endure the extra costs associated with leasing and maintaining a privatized sports field. The Great Lawn is improved as an open lawn area and occasionally leased out for events or photo shoots, however, the field reportedly generates less than $10,000 per year, which is substantially less than the concluded rate for its potential use as yard storage.

Based on the comparables and the analysis of potential development as sports fields, and considering the physical attributes, constraints of the sub-lease agreement, with month-to-month terms and no new tenant improvements, the concluded monthly market rental rates, on a triple net basis, for the subject's field properties are listed below:

Field F	$0.15 per square foot
Field I	$0.05 per square foot
Field H	$0.05 per square foot
Field E	$0.05 per square foot
Rugby Field	$0.05 per square foot
California Field	$0.05 per square foot
Great Lawn	$0.05 per square foot

C. Comparable Office/Service Commercial/Assembly Leases and Analysis

The table on the following page shows the inventory of existing office/service commercial/assembly buildings which comprise a portion of the subject properties. The subject buildings vary in terms of size and condition. In estimating the market rent for the various office/service commercial/assembly buildings, recent leasing activity in the surrounding market areas is considered. The table following the subject Office/Service Commercial/Assembly Building Inventory table contains 9 recent leases of properties considered generally similar to the subject properties. The comparable spaces range in size from approximately 1,301 square feet up to 7,950 square feet, and represent a variety of construction types and dates of construction. The rental rates indicated ranges from $0.50 per square foot to $1.25 per square foot on a triple net or equivalent basis.

For the subject properties, the spaces within Building 1 (Administrative Building) are concluded on a gross basis, net only of the possessory interest tax, and the remainder of the subject properties are concluded on a triple net basis. All properties are leased on a month-to-month basis with no new tenant improvements.

The Administrative Building contains several suites within the larger building. The building is an attractive Art Deco structure with ample parking. The building is not ADA compliant and lacks an elevator, which warrants a negative adjustment. The available suites are in average to fair condition. Comparables 1 through 4 are considered the most relevant indicators of market rental value for the subject Administrative Building, and indicate a range of rates between $1.00 and $1.60 per square foot on a full service basis.

Comparables 1a and 1b are leased at rates of $1.60 and $1.50, and represent office leases in a superior location which were provided with tenant improvements. Comparable 2 is leased at $1.25 per square foot, and is considered to have a slightly inferior location on Mare Island, but is in much better condition and was provided with a significant tenant improvement allowance. Comparable 3, which is leased at a rate of $1.30, has a superior location and was also provided with a significant tenant improvement allowance. Comparables 4a and 4b are leased for $1.20 and $1.00 per square foot, respectively, on a full service basis. These comparables are considered to have a much better location in Downtown San Francisco, but they lack parking. Based on the comparables, and considering the condition, location, and lease constraints of the subject suites within the Administrative Building, the concluded market rent is estimated at $0.75 to $1.00 per square foot as-is, with a month-to-month term on a gross basis, whereby the lessor pays all expenses except for the tenant's pro-rata share of the possessory interest taxes.

OFFICE / SERVICE COMMERCIAL / ASSEMBLY BUILDING INVENTORY
Appraisal of Treasure Island - Various Commercial Properties
San Francisco, California

Ref No	Bldg. No	Name	Building Area	Stories	Const. Type	Tenant	Current or Potential Use	Condition	Description
1	1	Admin Bldg. (Historic)	149,799	4 +Bsmt	Concrete	Administration	Office	Average	Various suites available within larger building. Attractive Art Deco building with ample parking. Building lacks elevator, rest rooms not ADA compliant, and roof leaks on upper floors.
5	34	Commissary	18,038 1,000 19,038	1	Wood	Rugby Club	No Econ. Value Office/Meeting	Poor & Good	One-story wood frame building w/ no windows. Rugby Club occupies 1,000 sf of bldg & has made cosmetic improvements. Their space includes a kitchen with a grill and sink, meeting area, locker rooms. Balance of building used as strorage and in poor condition. No heat or insulation.
20	298	Yacht Club	1,188	1	Wood	TI Yacht Club	Office/Meeting	Fair	Building does not contain water or restroom, no heat, no insulation. Does have access to nearby restroom facilities.
17	140	Nimitz Conf. Center	24,169	1	Wood	Vacant	Office/Assembly	Average	Bldg in usable condition. Contains full kitchen, 2 main ballrooms', separate bar area, enclosed patio with fireplace, an office, and conference rooms. No heat or insulation.
22	229	Club House	20,723	1	Wood	Life Learning Academy / School	Office/School	Average	Building contains large multi-purpose/meeting rooms and classrooms. Full kitchen, computer lab and library, restrooms, and yard area.
16	265	Library	8,392 1	1	Wood	Glide Foundation	Office/Assembly	Average	Mix of office and open area. Currently used as training facility by Glide. Offices are heated. Open area used for carpentry training..
11	497	Ship Shape	5,760	1	Metal	Ship Shape	Office/Meeting	Average	Metal building used as community meeting hall. Appraisers not permitted to inspect interior.
	227	Fog Watch	13,200	1	Wood & Stucco	Vacant	No Econ. Value	Fair	Building contains full kitchen in back with conference/bar/ meeting room in front with City views. No heat, no insulation. Some mold smell, not ADA, gutter system rotted, roof is blistering.

Source: Carneghi-Blum & Partners, Inc., February 2007
07-ASF-024,07asf02-valconclusions

COMPARABLE OFFICE / SERVICE COMMERCIAL / ASSEMBLY LEASES

Appraisal of Various Commercial Properties on Treasure Island
San Francisco, California

No.	Tenant/Location	Sign Date	Size (SF)	Lease Term	Monthly Contract Rent/SF		Escalations	TI's / SF Free Rent	Construction Year Built	Comments
1a	Emercon Services, Inc 401 Roland Way Oakland	5/06	1,301 sf	51 Months	$1.60 ($0.50) $1.10	FS Exp NNN	$0.05 psf incr. annually	Paint & Carpet none	Wood Frame 1983	Expansion Space
1b	G2 Marketing & Design 401 Roland Way Oakland	5/06	4,490 sf	4 years	$1.50 ($0.50) $1.00	FS Exp NNN	3% annual increases	$8.00 3 Months	Wood Frame 1983	Average Quality building
2	Lennar Urban Building 459 - Mare Island Vallejo	2/06	4,000 sf	3 Years	$1.25	NNN	N/A	$15.00 None	Concrete 1931/2003	Bldg recently rehabbed and in good condition.
3	Penny Saver Oakland Airport Business Park 480 Roland Way Oakland	1/06	3,510 sf	4 Years	$1.30 ($0.50) $0.80	FS Exp NNN	Yr 2: $1.35 Yrs 3 & 4: $1.40	$10.00 None	Concrete 1974	Older property
4a	Habitat for Humanity 995 Market Street San Francisco	1/06	4,004 sf	5 years	$1.20 ($0.50) $0.70	FS Exp NNN	Effective rent shown	As-Is None	Steel Frame 1908	David Howitt building SEC 6th Street. 1st floor
4b	SF Bicycle Coalition 995 Market Street San Francisco	3/05	3,028 sf	5 Years	$1.00 ($0.50) $0.50	FS Exp NNN	Month 1-30 $1.00 Month 31-60 $1.04	As-Is 1 Month	Steel Frame 1908	4th floor
5	Bank of Alameda 1701 Harbor Bay Pkwy Alameda	12/05	7,825 sf	5 Years	$1.15	NNN	$0.05 psf incr. annually	As-Is None	Steel/Concrete 1995	Ground floor office space
	Service Commercial/Assembly Leases:									
6	Literacy for Environmental Justice 800 Innes Avenue, Units 10 & 11 San Francisco	2/05	1,285 sf 1,790 sf 3,075 sf	5 Years	$0.75 ($0.25) $0.50	IG Exp NNN	3% annual increases	As-Is None	Wood Frame n/a	Urban environment education and youth organization in the Bayview
7	Boys and Girls Club 1099 Sunnydale Avenue San Francisco	2004 (first quarter)	7,800 sf	3 Years	$1.05 ($0.25) $0.80	IG Exp NNN	Unknown	Unknown Unknown	Wood Frame 2003	New bldg w/elevator. Space has classrooms and offices
8	United Council of Human Services 2111 Jennings Street San Francisco	6/02	7,950 sf	5 Years	$0.55 ($0.05) $0.50	MG RPT NNN	3% annual increases	As Is None	Wood Frame n/a	Tenant pays pro-rata share of realty taxes. No parking. Two-story building
9	Listing Building 533 - Mare Island Vallejo	Avail.	4,000 sf	Negot.	$0.85	NNN	Negotiable	As-Is None	Wood Frame 1940s	Stand alone office building/flex space

Source: Carneglia-Blum and Partners, Inc., February 2007
07 asf 024 07024tables

Subject Building 34 (The Commissary) contains approximately 19,038 square feet, of which approximately 1,000 square feet is currently leased to the Golden Gate Rugby Club as meeting space. The tenant currently pays approximately $1.00 per square foot per month on a triple net basis. This tenant also benefits from the free use of the adjacent storage space. However, the subject space lacks windows. Comparables 6 through 9 indicate a rental rate range of $0.50 to $0.85 per square foot, triple net, and are considered the most relevant for this subject space. An upward adjustment is warranted for the subject's much smaller size. This positive adjustment is only partially offset by the superior location of Comparables 6, 7, and 8, and the lack of a lease for Comparable 9. Overall, a higher rental rate is concluded for the space mainly due to size. Based on the comparables, and considering the attributes of the subject space, the concluded rate for the habitable portion of the subject Building 34 is $1.00 per square foot, triple net with no new tenant improvements. The current tenant appears to be paying a market rate.

Building 298 is occupied by the Yacht Club, which is located near the south shore of Treasure Island on Clipper Cove. The Yacht Club currently occupies the building at a rate of $0.52 per square foot per month on a triple net basis. The building contains approximately 1,188 square feet and is in fair condition. The subject location near the water makes this building suitable for marina related commercial uses, such as a yacht club. However, the building does not have any running water or on-site restrooms, and the potential to bring water to the building via tank would be cost prohibitive due to the as-is and month-to-month nature of the lease. Comparables 6 through 9 are considered relevant comparables. Upward adjustment is warranted based on the subject's much smaller size, however, this factor is generally offset by the superior location of the comparable's and the fact that the subject lacks running water and an on-site restroom. Based on the comparables, and considering the attributes of the subject space, the concluded rate for the subject Building 298 is $0.75 per square foot, triple net with no new tenant improvements. Based on this analysis, the tenant appears to be paying a below market rate.

Subject Buildings 140 (Nimitz Conference Center), 229 (Club House), 265 (Library), and 497 (Ship Shape) are relatively larger, free standing office/service commercial buildings in average to good condition with substantial build outs. Comparables 6 through 9 indicate a relevant rental range from $0.50 to $0.85 per square foot, triple net. The subject Building 140 is a conference center in average condition which contains approximately 24,169 square foot. The building is in usable condition and contains a full kitchen, 2 ballrooms, a bar area, fireplaces, offices, and conference rooms. However, the building appears dated and has minor items of deferred maintenance. This building is also considered for potential use as an events venue. However, the dated improvements and the building's lack of Bay views limit its appeal as an events venue, and its interim highest and best use is concluded to be for use as general office/assembly space. Building 229 is also a larger building, containing approximately 20,723 square feet. The building is in average condition

and is built out with a combination of larger multi-purpose rooms and smaller offices/classrooms, as well as a full kitchen. This subject building is currently occupied by Life Learning Academy, which does not pay rent. Building 265 is smaller, containing approximately 8,392 square feet, and is currently occupied by the Glide Foundation at a rate of $0.24 per square foot, triple net. The building is in average condition with a mix of office and open areas. Building 497 is another relatively smaller building in average condition. This building is used as meeting space and is occupied by Ship Shape, which does not pay rent.

Based on the comparables, and considering the size, condition, and location of the subject buildings, a rental rate of $0.25 per square foot, triple net is concluded for Building 140, and a rental rate of $0.50 per square foot, triple net, is concluded for Buildings 229, 265, and 497. The existing tenants in Buildings 229, 265, and 497 are paying either below market rental rates or no rent.

Building 227 (Fog Watch) is configured as a potential conference center or events venue. However, the tenant improvements are dated, and the building lacks heat and insulation, has a rotted gutter system, a blistering roof, and contains mold. Potential tenants would not be willing to spend the money needed to bring this building to usable condition due to the as-is and month-to-month terms available. As such, the building is concluded to have no interim economic rental value.

Based on the comparables, and considering the constraints of the subject sub-lease agreement, with month-to-month terms and no new tenant improvements, the concluded monthly market rental rates for the subject's office/service commercial/assembly properties are listed below:

Building 1 (Administrative Building) (Gross, Net of Possessory Interest Taxes)	$0.75 to $1.00 per square foot
Building 34 (Commissary) (1,000 sf Rugby Club)	$1.00 per square foot
Building 298 (Yacht Club)	$0.75 per square foot
Building 140 (Nimitz Conference Center)	$0.25 per square foot
Building 229 (Club House)	$0.50 per square foot
Building 265 (Library)	$0.50 per square foot
Building 497 (Ship Shape)	$0.50 per square foot
Building 227 (Fog Watch)	No Economic Rental Value

D. Comparable Retail Leases and Analysis

The table on the following page summarizes the subject retail buildings and is followed by another table which summarizes a variety of rental comparables considered relevant for the subject retail buildings. Treasure Island is considered a very inactive retail market, as the location is isolated in comparison to active markets such as San Francisco and Oakland, and the Island has a very small population. The subject retail buildings are small, ranging in size from approximately 640 square feet to 675 square feet.

The comparable leases range in size from approximately 650 square feet up to 2,000 square feet, and are located in San Francisco, Oakland, and Alameda. These commercial sections of these cities are all considered to have superior access and more established commercial locations in comparison to Treasure Island. Therefore, the subject buildings are considered inferior to these comparables in terms of location, especially in comparison to Comparable 1, which is located in San Francisco. A much lower rate is indicated for the subject properties based on this comparable. However, the subject buildings do benefit from excellent views of the water, bridges, and San Francisco skyline.

The remaining comparables indicate a range of rates between $1.03 and $1.75 per square foot, on a triple net or equivalent basis. Comparable 5 represents the low end of the range at $1.03 per square foot. This is the lease of a larger space on the ground floor of a mixed-use building in Alameda. The tenant renovated the unit and added a kitchen at their own cost. These factors are partially offset by the comparable's location along the Webster Street commercial corridor in Alameda, which is considered superior to the subject location. A higher rate is indicated for the subject spaces located in Buildings 146 (Gatehouse) and 183 (Cafe). Comparables 2 and 3 are leased at rates of $1.75 and $1.40 per square foot, respectively. These spaces are in average condition, but their location, along the Park Street commercial corridor in Alameda, is considered much superior to the subject location. A lower rate is indicated for the subject buildings. Overall, the comparables indicate a range of rental rates higher than $1.03 per square foot and lower than $1.40 per square foot.

Building 146 is currently used as a guard gate. However, its location at the entrance of Treasure Island could lend itself to a small concession stand/souvenir/coffee booth serving the tour buses which regularly come to this part of the Island. Building 183 is currently occupied by Delancey Street Café, which pays a small portion of their gross sales in lieu of a set rent. Based on this analysis, Building 183 is leased at a below market rate.

RETAIL BUILDING INVENTORY
Appraisal of Treasure Island - Various Commercial Properties
San Francisco, California

Ref. No	Bldg No.	Name	Building Area	Stories	Const Type	Tenant	Current or Potential Use	Condition	Description
18	146	Gatehouse	675	1	Wood & Brick	Guards	Retail	Average	Building contains a restroom. Currently used by security guards. Located at entrance of Treasure Island w/ good visibility. No heat, no insulation, no parking.
19	183	Trailer	640	1	Trailer	Delancey Street Cafe	Retail/Cafe	Average	Building used as a cafe with small seating area in front and open kitchen area and eating counter in back. Also has outside eating area.

Source: Carneghi-Blum & Partners, Inc. February 2007
07-ASF-024,07asf02-val,conclusions

COMPARABLE RETAIL LEASES
Appraisal of Various Treasure Island Properties
San Francisco, California

#	Location/ Tenant	Sign Date	Term	Area (SF)	Monthly NNN Rent Per SF	Escalations	Expense Structure	TIs per SF	Free Rent	Comments
1.	**Furry Tails** 255 King Street San Francisco	11/06	10 Years	712	**$3.75**	Annual 3%	NNN	$40 00	3 months	Ground floor of Avalon rental community. Tenant is a pet store.
2.	**Toy Safari** 1410 Park Street Alameda	4/06 Renewal	6 Years	2,000	$2 00 ($0 25) (1) **$1.75**	Annual $0 10	Industrial Gross	As-Is	None	Long time tenant. Space is in average condition.
3.	**Daisy's** 1347 Park Street Alameda	2/06	2 Years	1,300	$1 65 ($0.25) (1) **$1.40**	Annual CPI	Industrial Gross	As-Is	None	Includes use of basement for storage 1 2-year option.
4.	**Beauty Unlimited** 1502 Webster Street Alameda	1/06	5 Years	800	$1.50 ($0.25) (1) **$1.25**	Annual CPI	Net of Utilies	As-Is	None	Commercial unit along Webster Street corridor
5.	**Italian Restaurant** 1544 Webster Street Alameda	12/05	5 Years	1,782	$1 28 ($0.25) (1) **$1.03**	Annual CPI	Net of Utilies	As-Is	None	Commercial unit along Webster Street corridor. Tenant adding full kitchen
6.	**Le Rebelle Hair Salon** 730 Washington Street Oakland	2/05	3 Years	650	$1.70 ($0 25) (1) **$1.45**	$50 per mo incr in year 3	Gross	As-Is	None	Commercial unit located next to a soup kitchen

(1) Estimated conversion to NNN rate

Source: Carneghi-Blum & Partners, Inc., February 2007
07-ASF-024-07024retail rent

The subject Buildings 146 and 183 are both small buildings with improvements in usable condition. Building 146 is considered to have a slightly superior commercial location. However, Building 183 is improved as a café with a superior build out that includes a kitchen. Based on the comparables, and considering the constraints of the subject sub-lease agreement, with month-to-month terms and no new tenant improvements, the concluded monthly market rental rates, on a triple net basis, for the subject retail buildings are listed below:

Building 146 (Gatehouse)	$1.25 per square foot
Building 183 (Café)	$1.25 per square foot

E. Wedding Venue Analysis

A survey was conducted in the general market area for determining the market rental rate for the subject Building 271, Casa de la Vista. The subject is currently leased on Fridays, Saturdays, and Sundays for wedding receptions, and charges a rental fee of $3,350 per event. The subject building is an attractive events venue building containing approximately 7,788 square feet, with excellent views, full kitchen, and a court yard. The survey includes generally similar facilities, which are mainly leased for wedding receptions and provide the same types of amenities. The results of the survey are summarized on the table on the following page.

The fee charged by the subject building is within the range indicated by the comparables, and is reportedly being achieved at the subject property. It is concluded to be at market levels given the amenities and quality of the space. According to Ms. Lori Mazzola, the subject building is in demand, with every Saturday for the rest of the year already booked, as well as most Fridays and Sundays. According to discussions with managers at the comparable facilities, their facilities are also mainly booked on weekends, with few remaining Saturdays left available for the next several months to a year in advance.

Based on this analysis, the gross potential income for the subject building is estimated at $482,400 ($3,350 per event X 3 days a week X 4 weekends per month X 12 months per year).

A vacancy factor of 30 percent is applied to account for the some of the off-season months and non-booked Fridays and Sundays. The resulting effective gross income is $337,680.

Reportedly, operating expenses equate to approximately $685 per use, which equals approximately 21 percent of the gross rental fee, or $70.913 per year (21 percent of EGI). Also, an additional 25 percent of the effective gross income is included at

Wedding Reception Venue Survey

Appraisal of Various Commercial Properties on Treasure Island
San Francisco, California

#	Project Name / Location	Seating Capacity	Rental Rate	Description
1	**The Admiral's Mansion at Mare Island** Vallejo	100 guests	**$1,575**	Facility does not have a usable kitchen and there is some deferred maintenance Building is historic and attractive, but lacks dramatic views. Only has capacity to seat 100 guests. Outdoor grove area.
2	**Brazilian Room** Berkeley	150 guests	**$2,220 - $3,840**	Facility located in Tilden Park. Tables and chairs provided. Full kitchen and dance floor. Pastoral setting. Building in good condition. Outdoor stone patio area often used for ceremonies.
3	**Officer's Club** Alameda	300 guests	**$2,300 - $2,800**	Facility lacks kitchen and has restrictions on amplified music. Building in good condition. Outdoor terrace garden.
4	**Presidio Golden Gate Club** San Francisco	450 guests	**$4,000 - $6,000**	High identity San Francisco historic building. Spanish design. Tile and grass patio. Limited kitchen - prep only. Located in the Presidio.
5	**1 Fort Mason** San Francisco	180 guests	**$5,000**	Historic building in good condition with dramatic views. Full kitchen and dance floor and tables and chairs provided.
6	****SUBJECT****	180 guests	**$3,350**	

Source: Carneghi-Blum & Partners, Inc., February 2007
07-ASF-024 07024reception

$84,420 per year to account for management and administrative fees. The total expenses are estimated at $155,333.

Deducting the expenses from the effective gross income results in a net operating income estimate for the subject property of approximately $182,347. After deducting a profit factor of 25 percent of the net operating income ($45,587), the remaining income equates to $136,760, or approximately $1.50 per square foot, per month, which is within the range indicated by the retail comparables in the previous section, and supports a conclusion in this range.

Based on these factors, the market rate for the subject Building 271 is concluded as-is, on a triple net basis:

Building 271 (Casa de la Vista)	$1.50 per square foot

F. Comparable Childcare Leases and Analysis

The table on the following page summarizes four recent day care leases and a listing for a childrens center. The subject Building 502 is in good condition and improved as a daycare center. The building is currently occupied by Kidango at a rate of $0.065 per square foot. The building contains approximately 10,123 square feet and is built out with classrooms, an administrative area, a kitchen, and a large multi-purpose area. The property also includes a play yard and parking area. For a day care facility, the location of the subject property on Treasure Island is considered secondary due to the small resident and professional workforce population of the Island.

The upper end of the range is indicated by Comparables 3 and 4, which are day care centers leased at $1.45 and $1.40 per square foot, triple net. These leases are considered to have much superior locations and they are not constrained by month-to-month terms. A much lower rental rate is concluded for the subject. Comparable 2 represents the low end of the range at $0.23 per square foot. This comparable is a small facility and considered to have an inferior location on Mare Island. The tenant reportedly spent approximately $100,000 in tenant improvements, and an overall higher rate is indicated for the subject day care facility. Comparable 1 is the recent renewal of a much larger facility. The comparable location is considered superior, but this factor is generally offset by the subject's smaller size. Comparable 5 is the listing for a children's center in Alameda, which would require substantial improvement for use as a day care facility.

Based on the comparables, the concluded monthly market rental rate, on a triple net basis, for the subject day care building is listed below:

COMPARABLE DAY CARE CENTER LEASES

Appraisal of Various Properties on Treasure Island
San Francisco, California

No.	Tenant Location	Lease Date	Lease SF	Initial Rent/SF/ Month NNN		Escalations	TI's	Term Mos.
1	**Carden West** 4576 Willow Road Pleasanton	6/06 Renewed	45,906 1985 20%	**$0.68**		1/07: $0.76 9/07 -$0.85	As-Is	24
2	**Day Care Center** Azura Street Mare Island - Naval Base	2/06	1,500	**$0.23**		N/A	$100,000 (paid by tenant)	36
3	**Primary Plus Action Day Care** 5845 Allen Avenue San Jose	9/05	30,063 1970s 7%	**$1.45**		3% annual increases	As Is	60 + 60 mo. option
4	**KinderCare** 38700 Paseo Padre Fremont	4/04	9,654 1972 19%	**$1.40**		Annual CPI increases	As Is	120
5	**Vacant** (Former Alameda Children Center) 2050 Lincoln Avenue Alameda	Avail.	17,270	$0.64 (<u>$0.25</u>) **$0.39**	IG (1)	Negotiable	As Is	Negot.
	******SUBJECT****** Kidango 850 Avenue D		10,123	$0.065			As Is	

(1) Conversion from industrial gross to triple net expense basis.

Source: Carneghi-Blum & Partners, Inc., February 2007
07-ASF-024,07asf024daycare Rent

Building 502 (Childcare)	$0.65 per square foot

The concluded rate is based on a month-to-month term with no new tenant improvements.

G. Comparable Athletic Club Leases and Analysis

As discussed in the Highest and Best Use section of this report, there is very little demand on Treasure Island for a retail athletic club which would rely on membership dues in order to be profitable.

Due to the limited demand, no interim economic rental value is concluded for the subject Building 402 (Gymnasium). An arrangement similar to the current arrangement with the YMCA is considered to be preferable to keeping the building vacant.

VI. FAIR MARKET RENTAL VALUE ANALYSIS AND CONCLUSION

Based on the research and analysis contained in this report, and subject to the limiting conditions and assumptions contained herein, it is the opinion of the appraisers that the market rental values for the subject properties are estimated to be:

Industrial/Warehouse Buildings:

Building 180 (California Logistics) (Larger Space)	$0.25 per square foot
Building 180 (Beyond Productions) (Smaller Space)	$0.60 per square foot
Building 2 (Hangar 2)	$0.15 per square foot
Building 3 (Hangar 3)	$0.10 per square foot
Building 62 (Building 62) (5,000 sf usable portion)	$0.35 per square foot
Building 670 (Brig)	$0.25 per square foot
Building 671 (Carpentry Shop)	$0.35 per square foot
Building 34 (Commissary) (18,038 sf storage space)	No Economic Rental Value
Building 69 (Shed)	No Economic Rental Value
Building 201 (Navy Exchange)	No Economic Rental Value
Building 216 (RV Storage)	No Economic Rental Value
Building 258 (Post Office)	No Economic Rental Value
Building 292 (Avenue I - Warehouse)	No Economic Rental Value
Building 330 (Gas Station)	No Economic Rental Value

Fields:	
Field F	$0.15 per square foot
Field I	$0.05 per square foot
Field H	$0.05 per square foot
Field E	$0.05 per square foot
Rugby Field	$0.05 per square foot
California Field	$0.05 per square foot
Great Lawn	$0.05 per square foot
Office/Service Commercial/Assembly Buildings:	
Building 1- Administrative Building (Net of Possessory Interest Taxes)	$0.75 to $1.00 per square foot
Building 34 - (Commissary) (1,000 sf Rugby Club)	$1.00 per square foot
Building 140 (Nimitz Conference Center)	$0.25 per square foot
Building 229 (Club House)	$0.50 per square foot
Building 265 (Library)	$0.50 per square foot
Building 298 (Yacht Club)	$0.75 per square foot
Building 497 (Ship Shape)	$0.50 per square foot
Building 227 (Fog Watch)	No Economic Rental Value
Retail Buildings:	
Building 146 (Gatehouse)	$1.25 per square foot
Building 183 (Café)	$1.25 per square foot

Wedding Venue:

Building 271 (Casa de la Vista)	$1.50 per square foot

Childcare:

Building 502 (Childcare)	$0.65 per square foot

Gymnasium:

Building 402 (Gymnasium)	No Economic Rental Value

The concluded ranges are based on month-to-month terms with no additional tenant improvements provided. The rates are concluded on a triple net basis, with the exception of Building 1 (the Administrative Building) which is concluded on a gross basis, net only of the possessory interest tax.

Certain subject properties were concluded to have no interim economic rental values. However, it might be possible to generate a small amount of revenue from some of these properties. In some cases this may require that certain structures be demolished in order to be leased as yard space. However, we consider any potential revenues from these properties to be nominal in relation to demolition costs.

ADDENDA

SUBJECT PHOTOGRAPHS

Building 1 - Administrative Building

Building 180 - Warehouse

Building 2 - Hangar 2

Building 2 - Interior

SUBJECT PHOTOGRAPHS

Building 3 (Hangar 3) - Interior

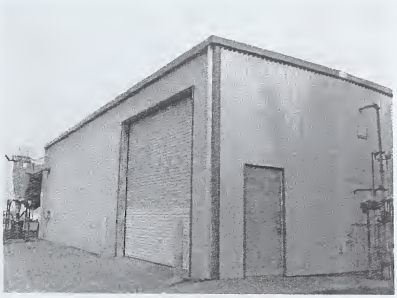
Building 34 - Commissary

Building 216 - RV Storage

Building 216 (RV Storage) - Interior

SUBJECT PHOTOGRAPHS

Building 670 - Brig



Building 671 - Carpentry Shop

Building 330 - Gas Station

Building 201 - Navy Exchange

SUBJECT PHOTOGRAPHS

Building 502 - Childcare

Building 502 (Childcare) - Interior

Building 258 - Post Office

Building 258 (Post Office) - Interior

SUBJECT PHOTOGRAPHS

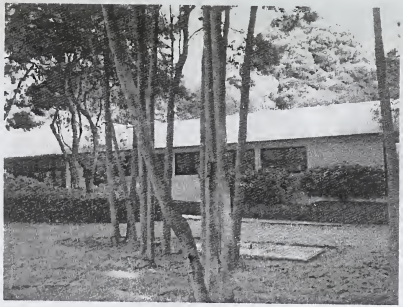
Building 497 - Ship Shape

Building 140 - Nimitz Conference Center

Building 271 - Casa de la Vista

Building 271 (Casa de la Vista) - Interior

SUBJECT PHOTOGRAPHS



Building 265 - Library

Building 227 - Fog Watch

Building 146 - Gatehouse

Building 183 - Trailer

SUBJECT PHOTOGRAPHS

Building 298 - Yacht Club

Building 69 - Shed

Building 229 - Clubhouse

Building 402 - Gymnasium

EXHIBIT E

DRAFT DATED _____
CONFIDENTIAL ATTORNEY CLIENT PRIVILEGED

[FORM DOCUMENT – DUPLICATE BEFORE REVISING]

SUBLEASE

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

_____

as Subtenant

For the Sublease of

_____
_____

Treasure Island Naval Station
San Francisco, California

_____ ___, 200_

TREASURE ISLAND SUBLEASE

Table of Contents

LIST OF EXHIBITS:

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated _____ __, 200_, is by and between the Treasure Island Development Authority, a California public benefit corporation ("Sublandlord"), and_____, a _____ ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a lease dated September 4, 1998, as amended from time to time (the "Master Lease"), a copy of which is attached hereto as Exhibit A. Under the Master Lease, the Master Landlord leased to Sublandlord certain real property located on Treasure Island Naval Station (the "Property"), as more particularly described in the Master Lease.

B. The Property includes _____ as more particularly shown on the map attached hereto as Exhibit B (the "Premises").

C. Subtenant desires to sublet the Premises from Sublandlord and Sublandlord is willing to sublet the Premises to Subtenant on the terms and conditions contained in this Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. PREMISES

1.1. Subleased Premises. Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises.

1.2. As Is Condition of Premises.

(a) **Inspection of Premises**. Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Subtenant's Agents"), of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report referenced in Section 1.2(c) below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) **As Is; Disclaimer of Representations**. Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition,

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without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted under this Sublease, (v) the safety of the Premises, whether for the use by Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) **Seismic Report.** Without limiting Section 1.2(b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

2. COMPLIANCE WITH MASTER LEASE

2.1. Incorporation by Reference. All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein.

2.2. Performance of Master Landlord's Obligations. Sublandlord does not assume the obligations of Master Landlord under the Master Lease. With respect to work, services, repairs, restoration, the provision of utilities or HVAC services, or the performance of any other

obligations required of Master Landlord under the Master Lease, Sublandlord's sole obligation with respect thereto shall be to request the same, on request in writing by Subtenant, and to use reasonable efforts to obtain the same from Master Landlord. Subtenant shall cooperate with Sublandlord as may be required to obtain from Master Landlord any such work, services, repairs, repainting, restoration, the provision of utilities or HVAC services, or the performance of any of Master Landlord's obligations under the Master Lease.

2.3. **Conflict.** If any of the provisions of this Sublease conflict with any portion of the Master Lease as incorporated herein, then the terms of the Master Lease shall govern.

2.4. **Compliance with Master Lease**. Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord.

2.5. **Automatic Termination**. If the Master Lease terminates for any reason whatsoever, this Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

3. TERM

3.1. **Term of Sublease**. The term of this Sublease (the "Term") shall be on a month-to-month basis and commence on _____ (the "Commencement Date"), and expire on _____ (the "Expiration Date"), unless sooner terminated pursuant to the terms of this Sublease. Either Party may, in its sole discretion, terminate this Sublease by giving thirty (30) days prior written notice to the other Party.

3.2. **Effective Date**. This Sublease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Sublease, (ii) Sublandlord's Board of Director's approval of this Sublease at a duly noticed meeting, or (iii) the Commencement Date.

4. RENT

4.1. **Base Rent.** Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to Sublandlord base rent in the amount of _____ Dollars ($_____) per month (the "Base Rent"). Base Rent shall be paid to Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Sublandlord provided in Section 20.1 hereof or such other place as Sublandlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the

monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

4.2. **Additional Charges**. In addition to Base Rent, Subtenant shall pay any and all real property taxes, possessory interest taxes, common area maintenance charges, and other costs, impositions and expenses related to the Premises as provided in Section 5 hereof, plus all other charges related to the Premises otherwise payable by Subtenant to Sublandlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Subtenant hereunder, all utility charges, and any common area maintenance charge (the "CAM Charge") levied by the Sublandlord on the Premises (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

4.3. **Late Charge**. If Subtenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Sublandlord and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Sublandlord will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Sublandlord for its damages resulting from such failure to pay and Subtenant shall promptly pay such charge to Sublandlord together with such unpaid amount.

4.4. **Default Interest**. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of the greater of the interest rate in effect that has been established by the Secretary of Treasury pursuant to Public Law, as described in Section 33 of the Master Lease, or ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Subtenant nor on any amounts on which late charges are paid by Subtenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Subtenant.

5. TAXES, ASSESSMENTS AND OTHER EXPENSES

5.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) **Payment Responsibility**. Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) **Taxability of Possessory Interest**. Without limiting the foregoing, Subtenant recognizes and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) **No Liens**. Subtenant shall not allow or suffer a lien for any taxes payable by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) **Reporting Information**. Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

5.2. **Other Expenses**. This is a "triple net" Sublease. Accordingly, Subtenant shall be responsible for any and all other charges, costs and expenses related to its use, occupancy, operation or enjoyment of the Premises or any Alterations permitted thereon, including, without limitation, the cost of any utilities, the CAM Charge, and all property maintenance, including landscaping of parking areas and any other services necessary for Subtenant's use.

5.3. **Evidence of Payment**. Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Sublandlord, evidencing payment thereof.

6. USE; COVENANTS TO PROTECT PREMISES

6.1. **Subtenant's Permitted Use**. Subtenant may use the Premises for _____, but for no other purpose without the prior written consent of Sublandlord, which consent may be given or withheld in Sublandlord's sole and absolute discretion.

6.2. **Subtenant's Access to the Premises**. As provided in Section 30 of the Master Lease, Subtenant shall have access to the Premises on a 24-hours per day, seven days a week basis; provided, however, Subtenant shall coordinate such access with the local representative of Master Landlord.

6.3. **Rules and Regulations**. Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Master Landlord or Sublandlord from time to time.

6.4. **Easements**. This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"); provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's

operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

6.5. **No Interference with Navy Operations**. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over Subtenant's use of the Premises in the event of any conflict; provided, however, in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of Subtenant's operation.

6.6. **No Unlawful Uses, Nuisances or Waste**. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall eliminate any nuisances or hazards relating to its activities on or about the Premises. Subtenant shall not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

7. ALTERATIONS

7.1. **Alterations**. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Sublandlord's prior written consent in each instance, which consent may given or withheld in Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications for any Alterations approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of construction on the Premises at all times.

7.2. **Historic Properties.** Without limiting the generality of the foregoing, Subtenant acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Master Landlord's and Sublandlord's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

7.3. **Ownership of Alterations.** Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of this Section 7 shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 18 hereof, unless Sublandlord, at its sole option and without limiting any of the provisions of Section 7.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Sublease.

7.4. **Subtenant's Personal Property.** All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and shall be removed by Subtenant, subject to the provisions of Section 18 hereof. Subtenant shall be solely responsible for providing any security or other protection of or maintenance to Subtenant's Personal Property.

7.5. **Sublandlord's Alterations.** Sublandlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the improvements on the Premises; provided, that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the purposes stated herein.

8. REPAIRS AND MAINTENANCE

8.1. **Subtenant Responsible for Maintenance and Repair.** Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

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8.2. Utilities. Sublandlord shall provide the basic utilities and services described in the attached Exhibit E (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Subtenant shall be responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Subtenant may need for its use of the Premises. Subtenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit E.

8.3. **Landscaping.** Subtenant shall maintain the exterior landscaping of the Premises in good condition and repair.

8.4. **Janitorial Services.** Subtenant shall provide all janitorial services for the Premises.

8.5. **Pest Control.** Subtenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

8.6. **Trash.** Subtenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as Exhibit F. Subtenant shall pay for the removal of trash from the designated containers. Subtenant shall abide by all rules established by Sublandlord or Master Landlord for the handling of trash.

8.7. **No Right to Repair and Deduct.** Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or any right of Subtenant to make repairs or replacements and deduct the cost thereof from Rent.

9. LIENS

9.1. **Liens.** Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Subtenant shall give Sublandlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

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10. COMPLIANCE WITH LAWS

10.1. Compliance with Laws. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Subtenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Subtenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. Sections 12101 et seq. and Title 24 of the California Code of Regulations, and all present and future Environmental Laws (as defined in this Sublease below). No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

10.2. Regulatory Approvals.

(a) **Responsible Party**. Subtenant understands and agrees that Subtenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation, any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") Sublandlord, City and Master Landlord, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

10.3. Compliance with Sublandlord's Risk Management Requirements. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations

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permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

11. ENCUMBRANCES

11.1. Encumbrance By Subtenant. Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's or Subtenant's interest under this Sublease.

12. DAMAGE OR DESTRUCTION

12.1. Damage or Destruction to the Premises. In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Subtenant or Subtenant's Agents or Subtenant's Invitees, (ii) is not covered by the insurance described in Section 16 below, (iii) prevents Subtenant from operating the Premises for the purposes stated herein, and (iv) costs more than _____ Dollars ($_____) to repair, either party may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 18 (except for damage caused by a casualty pursuant to which this Sublease may be terminated under this Section 12.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Sublease as provided in this Section 12.1, then Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 7.1 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

12.2. No Abatement in Rent. In the event of any damage or destruction to the Premises, and if neither party terminates this Sublease as provided in Section 12.1 above, there shall be no abatement in the Rent payable hereunder.

12.3. Waiver. The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

13. ASSIGNMENT AND SUBLETTING

13.1. Restriction on Assignment and Subletting. Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, sublease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion. Subtenant shall provide Sublandlord with a written notice of its intention to Transfer this Sublease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days prior to the commencement date of the proposed Transfer. Subtenant shall provide Sublandlord with such information regarding the proposed Transfer as Sublandlord may reasonably request.

13.2. Bonus Rental. If Sublandlord consents to a Transfer of any of Subtenant's interest in or rights with respect to the Premises pursuant to Section 13.1 above, then one hundred percent (100%) of any rent or other consideration payable to Subtenant in excess of the Base Rent payable hereunder (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Transfer) shall be paid to Sublandlord immediately upon receipt by Subtenant.

14. DEFAULT; REMEDIES

14.1. Events of Default. Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) Failure to Pay Rent. Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;

(b) Covenants, Conditions and Representations. Any failure to perform or comply with any other covenant, condition or representation made under this Sublease; provided, Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord.

(c) Vacation or Abandonment. Any abandonment of the Premises for more than fourteen (14) consecutive days; and

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted.

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14.2. Remedies. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall have the following rights and remedies in addition to all other rights and remedies available to Sublandlord at Law or in equity:

(a) **Terminate Sublease and Recover Damages**. The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) **Appointment of Receiver**. The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

14.3. Sublandlord's Right to Cure Subtenant's Defaults. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Sublandlord where prior notice by Sublandlord is impractical), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

15. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

15.1. Release and Waiver of Claims. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused solely by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant, on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way connected with the Indemnified Parties' decision to Sublease the Premises to Subtenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 15.1.

(g) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Subtenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(i) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**

Subtenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

15.2. Subtenant's Indemnity. Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Subtenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) any construction or other work undertaken by Subtenant on or about the Premises; and (f) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, in, on, or about the Premises or any Alterations, except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused solely by the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees

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of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease.

16. INSURANCE

16.1. Subtenant's Insurance. [Policy coverage and limits subject to review by City's Risk Manager] Without in any way limiting Subtenant's liability pursuant to Section 15 hereof, Subtenant shall procure and maintain throughout the Term of this Sublease the following insurance and pay the cost thereof:

(a) Commercial general liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including contractual liability, personal injury, products and completed operations. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CG-00-01-11-88.

(b) Workers' compensation insurance with employer's liability insurance covering all persons employed and with respect to whom death or bodily injury claims could be asserted against Sublandlord, Subtenant, the Premises or any other Sublandlord property, in an amount not less than One Million Dollars ($1,000,000) each accident.

(c) Business automobile liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, if Subtenant uses automobiles in connection with its use of the Premises. Such insurance shall provide coverage at least as broad as provided under Insurance Service Form Number CA-00-01-06-92.

(d) All risk property insurance insuring the Premises including, without limitation, any improvements, Alterations, furniture, fixtures and equipment located thereon, in an amount not less than _____ Dollars ($_____).

16.2. General Requirements. All insurance provided for under this Sublease shall be effected under valid enforceable policies issued by insurers of recognized responsibility and reasonably approved by Sublandlord.

(a) Should any of the required insurance be provided under a claims-made form, Subtenant shall maintain such coverage continuously throughout the term hereof and, without lapse, for a period of three (3) years beyond the expiration or termination of this Sublease, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Sublease, such claims shall be covered by such claims-made policies.

(b) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

(c) All liability insurance policies shall be endorsed to provide the following:

(i) Cover Subtenant as the insured and Sublandlord and the Master Landlord as additional insureds.

(ii) That such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Sublease, and that insurance applies separately to each insured against whom claim is made or suit is brought. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

(iii) All policies shall be endorsed to provide thirty (30) days' advance written notice to Sublandlord of cancellation, non-renewal or reduction in coverage, mailed to the address(es) for Sublandlord set forth in Section 20.1.

16.3. Proof of Insurance. Subtenant shall deliver to Sublandlord certificates of insurance and additional insured policy endorsements from insurers in a form satisfactory to Sublandlord, evidencing the coverages required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon Sublandlord's request, and Subtenant shall provide Sublandlord with certificates or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. As to the insurance required pursuant to Section 16.1(a) above, such certificate shall state, among other things, that such insurance coverage includes and shall cover Subtenant's indemnity obligations under Section 15.2 above. In the event Subtenant shall fail to procure such insurance, or to deliver such certificates or policies, Sublandlord may, at its option, procure the same for the account of Subtenant, and the cost thereof shall be paid to Sublandlord within five (5) days after delivery to Subtenant of bills therefor.

16.4. No Limitation on Indemnities. Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

16.5. Lapse of Insurance. Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant.

16.6. Subtenant's Personal Property. Subtenant shall be responsible, at its expense, for separately insuring Subtenant's Personal Property.

16.7. **Waiver of Subrogation.** Notwithstanding anything to the contrary contained herein, Sublandlord and Subtenant (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises, or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered b insurance that is required to be purchased by the Waiving Party under this Sublease or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurer to issue appropriate waiver of subrogation rights endorsements to policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

17. ACCESS BY SUBLANDLORD

17.1. **Access to Premises by Sublandlord.**

(a) **General Access.** Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Subtenant (except in the event of an emergency) for any purpose.

(b) **Emergency Access.** In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) **No Liability.** Sublandlord shall not be liable in any manner, and Subtenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

17.2. **Access to Premises by Master Landlord.** Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

18. SURRENDER

18.1. **Surrender of the Premises.** Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Subtenant. On or before any termination

hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 7.3 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980 et seq., of the California Civil Code or in any other manner allowed by Law.

18.2. No Holding Over. If Subtenant fails to surrender the Premises to Sublandlord upon the termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises. Subtenant shall have no right to hold over without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and absolute discretion. If Sublandlord holds over the Premises or any part thereof after expiration or earlier termination of this Sublease, such holding over shall be terminable upon written notice by Sublandlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Sublease. This Section shall not be construed as Sublandlord's permission for Subtenant to hold over. Acceptance of any holdover Base Rent by Sublandlord following expiration or termination of this Sublease shall not constitute an extension or renewal of this Sublease.

18.3. Security Deposit. Subtenant shall pay to Sublandlord upon execution of this Sublease a security deposit in the amount of _____ Dollars ($_____) as security for the faithful performance of all terms, covenants and conditions of this Sublease. Subtenant agrees that Sublandlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Subtenant, Subtenant's Agents or Subtenant's Invitees, or any failure of Subtenant to perform any other terms, covenants or conditions contained in this Sublease, without waiving any of Sublandlord's other rights and remedies hereunder or at Law or in equity. Should Sublandlord use any portion of the security deposit to cure any Event of Default by Subtenant hereunder, Subtenant shall immediately replenish the security deposit to the original amount, and Subtenant's failure to do so within five (5) days of Sublandlord's notice shall constitute a material Event of Default under this Sublease. Sublandlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Sublandlord shall not be required to keep the security deposit separate from its general funds, and Subtenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Subtenant's liability for the performance of any of its obligations under this Sublease. To the extent that Sublandlord is not entitled to retain or apply the security deposit pursuant to this Section 18.3, Sublandlord shall return such security deposit to Sublandlord within forty-five (45) days of the termination of this Sublease.

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19. HAZARDOUS MATERIALS

19.1. **No Hazardous Materials**. Subtenant covenants and agrees that neither Subtenant nor any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. Sections 9601 et seq.), or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). Subtenant agrees that it shall comply, without limiting the foregoing, with the provisions of Article 21 of the San Francisco Health Code including, without limitation, regarding obtaining and complying with the requirements of an approved hazardous materials management plan, and with the requirements of the environmental protection provisions provided for in Section 13 of the Master Lease.

19.2. **Subtenant's Environmental Indemnity**. If Subtenant breaches any of its obligations contained in Section 19.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 15.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's

Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall, immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

19.3. Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Subtenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOSL. In addition, California's Proposition 65, Health and Safety Code Sections 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Sublease, Subtenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

20. GENERAL PROVISIONS

20.1. Notices. Except as otherwise expressly provided in this Sublease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid as follows:

Notice Address of Sublandlord:	Treasure Island Development Authority Treasure Island Project Office 410 Avenue of Palms Building 1, 2nd Floor Treasure Island San Francisco, California 94130 Attn: Director of Island Operations Fax No.: 415-274-0299
with a copy to:	Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, California 94102 Attn: Eileen Malley Fax No.: (415) 554-4755
Notice Address of Subtenant:	_____ _____ _____ _____ Attn: _____ Fax No.: _____
Notice Address of Master Landlord:	Commanding Officer (Code 24) Engineering Field Activity West Naval Facilities Engineering Command 900 Commodore Drive San Bruno, California 94066

Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 20.1 and applicable Laws, shall be deemed receipt of such notice.

20.2. No Implied Waiver. No failure by Sublandlord to insist upon the strict performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One

or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

20.3. **Amendments**. Neither this Sublease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

20.4. **Authority**. If Subtenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

20.5. **Joint and Several Obligations**. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant, the obligations and liabilities under this Sublease imposed on Subtenant shall be joint and several.

20.6. **Interpretation of Sublease**. The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Sublease. Provisions in this Sublease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

20.7. **Successors and Assigns**. Subject to the provisions of Section 13, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law,

Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

20.8. Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

20.9. Severability. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by Law.

20.10. Governing Law. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

20.11. Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Sublease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein.

20.12. Attorneys' Fees. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys fees. For purposes of this Sublease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Sublandlord's General Counsel) shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Sublease, the term "attorneys fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other

expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

20.13. Time of Essence. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

20.14. Cumulative Remedies. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

20.15. Survival of Indemnities. Termination of this Sublease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

20.16. Relationship of Parties. Sublandlord is not, and none of the provisions in this Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

20.17. Recording. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

20.18. Non-Liability of Indemnified Parties' Officials, Employees and Agents. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Sublease.

20.19. No Discrimination. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

20.20. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20.21. Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord.

20.22. Production/Film Coordination. No filming on the Premises shall depict the U.S. Military in any manner and no filming will be allowed outside of the improvements on the Premises unless Subtenant obtains prior written approval from Master Landlord. Subtenant further acknowledges and agrees to verify in writing to Master Landlord that any production being filmed at the Premises does not depict the U.S. Military in any manner (or to obtain Master Landlord's consent thereto) and to furnish a copy of the shooting script to the Department of the Navy ("DON"), Navy Office of Information, 11000 Wilshire Blvd., Los Angeles, California 90024. Whether the U.S. Military is being depicted is the only aspect of script content that is appropriate for DON review. The portrayal of any subject material other than the U.S. Military is the sole responsibility of the Subtenant.

20.23. Acknowledgment of Sublandlord in Credits. To the extent that any motion picture ("Picture") is photographed in whole or in part at the Premises, Subtenant agrees to use good faith efforts to acknowledge the cooperation of the City and County of San Francisco and the Treasure Island Development Authority in the credits of the Picture, on all positive prints of the Picture and in the end titles. All other matters with respect to said credit, including, without limitation, the size, style, nature and placement thereof, shall be within the sole discretion of Subtenant. No casual or inadvertent failure of Subtenant to comply with the provisions of this Section nor any failure on the part of third parties so to do shall constitute a breach of this Sublease by Subtenant.

20.24. Rights to Photographs and Sound Recordings. All rights to the photography and sound recordings made by Subtenant in connection with the Premises shall be solely owned by Subtenant in perpetuity in all media known and unknown throughout the Universe and Sublandlord shall have no rights, including, but not limited to, injunctive relief rights, with respect to the use or non-use of any photography and/or sound recordings by Subtenant and/or its affiliates.

21. SPECIAL PROVISIONS

21.1. Signs. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

21.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Subtenant's sole expense.

21.3. **TIHDI Job Broker**. Subtenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit F.

21.4. **Local Hiring**. Subtenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

21.5. **Non-Discrimination in City Contracts and Benefits Ordinance**.

(a) **Covenant Not to Discriminate**. In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) **Sub-Subleases and Other Subcontracts**. Subtenant shall include in all sub-subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such sub-subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all sub-subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all sub-subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) **Non-Discrimination in Benefits**. Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Sublease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **HRC Form**. As a condition to this Sublease, Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC"). Subtenant hereby represents that prior to execution of this Sublease, (i) Subtenant executed and submitted to the HRC Form HRC-128-101 with supporting documentation; and (ii) the HRC approved such form.

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(e) **Incorporation of Administrative Code Provisions by Reference**. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50.00) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

21.6. No Relocation Assistance; Waiver of Claims. Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated or expires by its own terms, and Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all Claims against, and covenants not to sue, Sublandlord, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260, et seq.), except as otherwise specifically provided in this Sublease with respect to a condemnation of the Premises.

21.7. MacBride Principles - Northern Ireland. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

21.8. Tropical Hardwood and Virgin Redwood Ban. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Subtenant shall not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Sublease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Subtenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Subtenant shall be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

21.9. Wages and Working Conditions. Subtenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Subtenant provides under this Sublease, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are

provided for similar work performed in San Francisco, California. Subtenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord upon request, certified payroll reports with respect to all persons performing labor in the construction of such tenant improvement work or any Alterations to the Premises.

Pursuant to San Francisco Administrative Code Section 21.25-3, unless excepted, Contracts, Leases, Franchises, Permits, and Agreements awarded, let, issued or granted by the City for the use of property owned by the City and County of San Francisco shall require any Employee engaged in theatrical or technical services related to the presentation of a Show to be paid not less than the Prevailing Rate of Wages. Employees engaged in theatrical and technical services include, without limitation, those engaged in rigging, sound, projection, theatrical lighting, videos, computers, draping, carpentry, special effects, and motion picture services. Capitalized terms in this Section that are not defined in this Sublease shall have the meanings provided in Administrative Code Section 21.25-3.

Contractor agrees to comply with and be fully bound by, and to require its Subcontractors to comply with and be fully bound by, the provisions of Section 21.25-3, including, without limitation, the payment of any penalties for noncompliance and other remedies available to Sublandlord. The provisions of Section 21.25-3 are hereby incorporated by reference and made a part of this Sublease. Contractor shall cooperate fully with the Labor Standards Enforcement Officer and any other City official or employee, or any of their respective agents, in the administration and enforcement of the requirements of Section 21.25-3, including, without limitation, any investigation of noncompliance by Contractor or its Subcontractors. Contractor agrees that Sublandlord may inspect and/or audit any workplace or job site involved in or related to the performance of this Sublease, including, without limitation, interviewing Contractor's and any Subcontractor's employees and having immediate access to employee time sheets, payroll records, and paychecks for inspection.

Contractor may obtain a copy of the current Prevailing Rate of Wages from City, including its Office of Labor Standards Enforcement. Contractor acknowledges that the City's Board of Supervisors may amend such Prevailing Rate of Wages and agrees that Contractor and any Subcontractors shall be bound by and shall fully comply with any such amendments by the Board of Supervisors.

21.10. <u>Prohibition of Tobacco Advertising</u>. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Sublandlord or the City, including the Premises and the Property. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

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21.11. Pesticide Prohibition. Subtenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which **(i)** prohibit the use of certain pesticides on City property, **(ii)** require the posting of certain notices and the maintenance of certain records regarding pesticide usage and **(iii)** require Subtenant to submit to Sublandlord an integrated pest management ("IPM") plan that **(a)** lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the terms of this Sublease, **(b)** describes the steps Subtenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and **(c)** identifies, by name, title, address and telephone number, an individual to act as Subtenant's primary IPM contact person with the City. In addition, Subtenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

Nothing herein shall prevent Subtenant, through Sublandlord, from seeking a determination from the Commission on the Environment that it is exempt from complying with certain portions of the Pesticide Ordinance as provided in Section 307 thereof.

21.12. First Source Hiring Ordinance. The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Sublandlord adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Subtenant shall enter into a First Source Hiring Agreement that meets the applicable requirements of Section 83.9 of the First Source Hiring Ordinance.

21.13. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

21.14. Conflicts of Interest. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Subtenant becomes aware of any such fact during the Term of this Sublease, Subtenant shall immediately notify Sublandlord.

21.15. Charter Provision. This Sublease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

21.16. Requiring Health Benefits for Covered Employees. Unless exempt, Subtenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability

Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Sublease as though fully set forth. The text of the HCAO is available on the web at www.dph.sf.ca.us/HCRes/Resolutions/2004Res/HCRes102004.shtml. Capitalized terms used in this Section and not defined in this Sublease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Subtenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Subtenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Subtenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.

(c) Subtenant's failure to comply with the HCAO shall constitute a material breach of this Sublease. Sublandlord shall notify Subtenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Sublease for violating the HCAO, Subtenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Subtenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Sublandlord shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Sublandlord.

(d) Any Subcontract entered into by Subtenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Subtenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Subtenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Sublandlord may pursue the remedies set forth in this Section against Subtenant based on the Subcontractor's failure to comply, provided that Sublandlord has first provided Subtenant with notice and an opportunity to obtain a cure of the violation.

(e) Subtenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Sublandlord with regard to Subtenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Subtenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Subtenant shall keep itself informed of the current requirements of the HCAO.

(h) Subtenant shall provide reports to Sublandlord in accordance with any reporting standards promulgated by Sublandlord under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(i) Subtenant shall provide Sublandlord with access to records pertaining to compliance with the HCAO after receiving a written request from Sublandlord to do so and being provided at least five (5) business days to respond.

(j) Sublandlord may conduct random audits of Subtenant to ascertain its compliance with HCAO. Subtenant agrees to cooperate with Sublandlord when it conducts such audits.

(k) If Subtenant is exempt from the HCAO when this Sublease is executed because its amount is less than Twenty-Five Thousand Dollars ($25,000), but Subtenant later enters into an agreement or agreements that cause Subtenant's aggregate amount of all agreements with Sublandlord to reach Seventy-Five Thousand Dollars ($75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Subtenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars ($75,000) in the fiscal year.

21.17. Notification of Limitations on Contributions. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves.

21.18. Preservation-Treated Wood Containing Arsenic. As of July 1, 2003, Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Sublease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Subtenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

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Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

_____,
a _____

By: _____
Its: _____

SUBLANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Its: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

EXHIBIT A

MASTER LEASE

EXHIBIT B

DIAGRAM OF PREMISES

EXHIBIT C

COVER PAGE OF THE SEISMIC REPORT

EXHIBIT D

RULES AND REGULATIONS

EXHIBIT E

STANDARD UTILITIES AND SERVICES AND RATES

EXHIBIT F

WORKFORCE HIRING AGREEMENT

QUALIFICATIONS OF RONALD E. BLUM, MAI

California Certified General Real Estate Appraiser No. AG009958

EXPERIENCE

Mr. Blum is Vice President of Carneghi-Blum & Partners, Inc. (CBP, Inc.) and is the managing partner of the San Francisco office. CBP, Inc. is one of the major firms in the San Francisco Bay Area providing real estate appraisal and consulting services. Clients include financial institutions, government agencies, law firms, development companies and individuals.

Mr. Blum has worked in both the San Francisco and San Jose offices of CBP, Inc. since 1986, and has completed a wide variety of valuation and evaluation analyses. He has appraised many property types including office buildings, retail centers, hotels, residential projects, industrial parks and a variety of development sites. Mr. Blum also specializes in unusual urban properties. Recent appraisals have included performing arts theaters, former military bases, college dormitories, schools, live/work lofts, churches, athletic clubs, medical offices and mortuaries. Market feasibility, value impact and highest and best use studies have also been completed for a variety of property types and geographic locations.

In the course of his real estate appraisal practice, Mr. Blum has provided litigation support and served as an expert witness in court. He also acts as an arbitrator in resolving matters of real estate values, rents and related issues. He has been qualified as a real estate expert and provided testimony in the Superior Court of San Francisco County and in arbitration hearings. In addition, Mr. Blum is responsible for supervision of staff appraisers and research staff in the San Francisco office of CBP, Inc.

EDUCATION

Master of Science Degree in Real Estate Appraisal and Investment Analysis
University of Wisconsin - Madison, 1986

Bachelor of Business Administration Degree in Finance
University of Wisconsin - Madison, 1984

Successful completion of all professional appraisal courses offered by the Appraisal Institute as a requirement of membership

Continued attendance at professional real estate lectures and seminars

EDUCATION

"The Definition of Market Value and Its Implication for Corporate Real Estate Acquisition." Presentation to national meeting of Kaiser Permanente Real Estate Executives, Sonoma California, May 2004

Organized and Moderated the panel discussion: Unreinforced Masonry Buildings (UMBs) and the Americans with Disabilities Act (ADA), Appraisal Institute San Francisco Bay Area Fall Conference, April 1992

PROFESSIONAL AFFILIATION

Appraisal Institute - MAI Designation (Member Appraisal Institute) No. 10381
Continuing Education Requirements Complete

STATE CERTIFICATION

State of California Certified General Real Estate Appraiser No. AG009958
Certified through October 30, 2008

QUALIFICATIONS OF LAURA MORE

EXPERIENCE

Laura More is a Project Manager with Carneghi-Blum & Partners, Inc., based in the San Francisco office. Carneghi-Blum & Partners provides real estate appraisal and consulting services in the San Francisco Bay Area. Clients include financial institutions, government agencies, law firms, development companies and individuals. Typical assignments include both valuation and evaluations of a broad variety of property types, uses and ownership considerations.

Previous to joining Carneghi-Blum & Partners, Ms. More worked as an Appraisal Manager for AppraisalHub in San Francisco. Ms. More has a range of experience in the analysis of commercial real estate. She has assisted with valuation assignments on a variety of property types including industrial, office, retail, multi-family residential, and development sites located throughout the San Francisco Bay Area.

Ms. More joined Carneghi-Blum & Partners, Inc. (formerly Carneghi-Bautovich & Partners, Inc.) in 2005. Her responsibilities include the preparation of narrative appraisals on commercial, industrial, and multi-family residential properties. Ms. More has extensive knowledge of the San Francisco Bay Area.

STATE CERTIFICATION

State of California Trainee Real Estate Appraiser No. AT037420

EDUCATION

University of California, Santa Barbara
Bachelor of Arts, Communications

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

DRAFT Minutes of Meeting
Treasure Island Development Authority
April 11, 2007

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

1. **Call to Order:** 1:44 PM

Roll Call Present: Claudine Cheng (Chair)
Jesse Blout
John Elberling
Marcia Rosen
Owen Stephens

Excused: Jared Blumenfeld
Matthew Franklin
Supervisor Chris Daly

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2. Report by Director of Island Operations

Ms. Mirian Saez, Director of Island Operations, presented the Director's Report. Discussed progress on emergency preparedness efforts and development of a scope of work with OES for an emergency plan, ongoing discussions with PUC staff over the MOU between TIDA and PUC, her work with the City Administrator's Office and Mayor's Budget Office on the FY2007-2008 budget. Discussed operational issues including CalTrans planned closure of the Bay Bridge over Labor Day weekend, work with the Department of Public Works on dog-related signage throughout the Island, staff work with 311 staff on the Citywide 311 introduction. Discussed recent meetings held including those with Captain O'Leary of Southern Station, the Navy Caretaker Site Office, Sherry Williams of TIHDI regarding security issues, and a walk-about the Island with the Navy and Department of Public Works. Discussed her lunch at Treasure Island Fire Station 48 and discussions with the crew about emergency preparedness. TIHDI's Annual Event will be held in Building 1 on April 19th and honors Michael Cohen. Discussed upcoming Board items including approval of the budget and Coast Guard utility rates. Working with the Department of Real Estate on a revised leasing policy for commercial space. Discussed recent leasing interest expressed for space on the Island, including by the Academy of Art, CalTrans, Occidental Power, and the Bay Area Air Quality Management District.

Director Elberling asked about the amount of burglaries mentioned in the police report.
Ms. Saez stated that the Police Department response is to redeploy officers to the Island and to increase foot patrols. The arrests of late have been Island residents.

3. Report by the Mayor's Office of Base Reuse and Development
There was no report provided at this meeting.

4. Communications
Director Cheng asked for information about the correspondence from Nature in the City requesting sponsorship of an event on Yerba Buena Island.
Ms. Saez stated that she has had discussions with Nature in the City and staff is happy to provide support of their needs as it relates to the event, but the permitting process will be same as it is for any event on the Island.

5. Report by the Treasure Island/Yerba Buena Island Citizen Advisory Board
Ms. Karen Knowles-Pearce, CAB Chair, stated the CAB held its first meeting of the year last week. The CAB received updates on the recent legislative bills in the State Legislature pertaining to redevelopment.

6. Ongoing Business by Directors
There was no discussion on this item

7. General Public Comment
Mr. Marc Conners, Treasure Island Good Neighbors community group, discussed recent on-Island community events.

Mr. Peter Brastow, Director of Nature in the City, discussed his organization's background and their habitat restoration work on Yerba Buena Island. Spoke in support of a volunteer policy for the Authority.

Ms. Ruth Gravanis spoke in support of a future update on the status of incorporating the Job Corps into the Island community and on-going discussions with Job Corps.

8. Consent Agenda
Director Cheng motioned to continue Item 8(a).
Director Blout seconded the motion.
Item 8(a) was continued to the May meeting.

There was no public comment on the Consent Agenda.

Director Elberling motioned for approval of the remainder of the Consent Agenda.
Director Rosen seconded the motion.
Consent Agenda Items 8b-h were approved unanimously.

9. Informational Presentation on Fiscal Year 2007-2008 Budget

Director Saez presented an informational item on the FY2007-2008 budget. Discussed TIDA's responsibilities as related to redevelopment planning and to day-to-day operation and maintenance of the former Base. Annual revenue for TIDA is approximately $9.5 million dollars, of which $2.6 million is from developer reimbursement, resulting in a net operating budget of $7 million dollars. Discussed staffing and administrative costs, contractual obligations, TIHDI coordination and facilitation expenses, contract for the Treasure Island gymnasium, janitorial and landscaping expenses, insurance and accounts payable to the Navy. These operational expenses total $2.3 million. Discussed planned capital improvements including the repair of the Building 3 roof and bringing the Fogwatch Building on-line. Discussed work-orders to City departments such as the Police and Fire Departments, Public Works, PUC, and City Attorney's Office. Stated if departmental work-orders are expended at approximately the same level as Fiscal Year2006-2007, expenses would exceed income by approximately $2.4 million. Stated TIDA does not have any project reserve, and operated at a loss last year. Discussed the anticipated liability payments to the PUC, which is not reflected in these expenses. Stated she continues to meet with the Controller's Office, Mayor's Budget Office and the General Services Agency on the budget, and TIDA staff continues to review revenue enhancement opportunities available through rental housing, commercial leasing and special events opportunities.

Director Cheng asked for information on the special events revenue as it applies to the increase in marketing expenses and the additional events contract.
Ms. Saez stated that the events contract is for the people who assist with the venues and events daily, and this is not a new expense. Stated the special events revenue is conservative, enhancements are being considered as well.

Director Rosen requested that the category currently listed as "Promotional and Entertainment" be relabeled "Promotional and Marketing" so that there is not confusion as to the nature of those expenses.

Director Elberling asked how the projected deficit for the current fiscal year would be covered
Ms. Saez stated that staff is looking at un-encumbering some work order funds and watching the budget for the remainder of the year.

Director Elberling asked what percentage was used for estimating increase in salaries and benefits. Asked if staffing expenses have been decreased from last year.
Ms.Saez stated whatever the union requires for the position is what was increased for salary and benefits. Stated staffing has increased from last year.

Director Elberling asked for information on the decrease in housing revenue. Asked what the John Stewart Company's assumptions were on rent increases.
Ms. Saez stated this was due to utility increases, the transfer of several units back to TIHDI, and keeping units off-line that are affected by remediation work. Stated the John Stewart Company is working on market analysis currently.

Director Elberling stated that the original agreements that established the project for the City never required that the project pay anything for Police and Fire services, as the residents are City residents and are entitled to those services. The custom has been that because of a net operating income in prior years to pay amounts towards Police and Fire service as available. Stated the policy of the Authority should be to pay what it can afford, but it has never been represented that these services would receive full cost-recovery.

Director Cheng requested more detail on subsidies going to TIHDI programs and organizations.

Public Comment
Ms. Ruth Gravanis spoke in support of increased funding for the Yerba Buena Island Natural Areas Plan item in the budget.

Mr. Peter Brastow, Nature in the City, spoke in support of increased funding for the Yerba Buena Island Natural Areas Plan item in the budget.

10. Resolution Approving an Extension to the Refuse Collection Contract with Golden Gate Disposal

Mr. Marc McDonald, Facilities Director, presented an extension to the refuse collection contract between TIDA and Golden Gate Disposal and Recycling. Golden Gate has provided services on Treasure Island since 2002. Staff recommends extending the agreement to the earlier date of either Treasure Island's transfer from the Navy or May 31, 2009. Staff recommends entering into this extension instead of putting the contract out to bid because once the base transfers to the City the refuse collection routes will come under the City refuse contract which is with Golden Gate Disposal and its affiliates. Golden Gate Disposal has a proven infrastructure and methods on the Island, and it is highly likely that a new solicitation process, which will be time-consuming, will yield that Golden Gate is still the only refuse collector able to perform the service.

Public Comment
Ms. Ruth Gravanis spoke in support of more public education and increased efforts towards recycling under the current contract.

Director Blout motioned for approval of the item.
Director Rosen seconded the motion.
The item was approved unanimously.

11. Approval of Expenditures from the Community Benefit Fund

Ms. Marianne Thompson, Community Liaison, presented proposed expenditures from the Community Benefit fund. Stated the Board received an informational presentation on these expenditures at the march meeting. Discussed the process undertaken to identify community priorities. Discussed changes to funding amounts from last month's presentation, including increases to the skateboard park and emergency preparedness items. Also $10,000 was added to provide funds for community events. Stated funds will be distributed through grants processes

consistent with City grant policies, work orders with other City departments, and vendor purchases consistent with TIDA's Purchasing Policy.

Director Elberling asked for information on the process for evaluation of an on-Island general store. Stated the Board has heard requests from residents over the years for an on-Island store. Ms. Thompson stated that discussions with residents yielded that their ultimate goal was better access to a store, whether it was on-Island or not. As a result staff is working with MUNI on extending the 108 line to include service near the King Street Safeway in Mission Bay instead of working on establishing a store on-Island.

Director Elberling stated that there would be no way that the MUNI 108 route would be re-routed away from the Transbay Terminal. Extending the 108 route to King Street would also mean about a half-hour trip. Stated that the on-Island store idea needs more serious discussion and presentation before the Board in the near future.

Director Rosen motioned to amend the resolution to reflect the processes for expenditure of funds that staff must undertake as mentioned in the presentation.

Public Comment
Ms. Sherry Williams, TIHDI Executive Director, spoke in support of the expenditures. Discussed the projects anticipated with the expenditure to TIHDI.

Ms. Susan DeVico spoke in support of the expenditures.

Mr. Anthony Chandler, Office of Supervisor Chris Daly and Island resident, read a statement from Supervisor Daly in support of the playground expenditure and in support of more resources for children.

Ms. Martha Nicols, Boys and Girls Club of San Francisco, spoke in support of the expenditures. Presented the projects anticipated with the expenditure to Boys and Girls Club.

Director Stephens motioned for approval as amended.
Director Blout seconded the motion.
The item was approved as amended.

12. Informational Presentation on Commercial Property Appraisal Performed by Carneghi-Blum.

Mr. Marc McDonald, Facilities Director, presented the findings from the Commercial Property Appraisal performed by Carnehgi-Blum. Over 30 buildings and 7 fields were reviewed. Appraisers commented that the sublease language itself acted as a restraint on the marketability of the properties. Noted that many of the properties require significant investments for improvements. Several properties were classified as having no economic value, which means it is difficult to rent these properties at anything comparable to rates in the surrounding region. The assessment stated the Island was at a disadvantage due to lack of amenities, transportation issues, inactive retail and commercial market, and difficult leasing process. Discussed the various classifications given to the properties.

Director Blout asked if staff has thought about leasing some buildings that may be easily leasable in the coming year and what the potential may be for next year.
Mr. McDonald stated he feels there is potential for leasing buildings in the coming year. The buildings, such as Building 3, are being aggressively marketed.
Ms. Saez stated that the Board will have a presentation on a commercial leasing policy at an upcoming meeting.
Director Blout stated his support for including a broker policy in with that leasing policy.

There was no public comment on this item.

13. Update by US Navy on Remediation Efforts in the Treasure Island Housing Area
Mr. Jim Sullivan, United States Navy, provided an update on the Site 12 soil removal project. Stated the documents necessary were signed between the Navy and the State Department of Toxic Substance Control in February. Initial site mobilization commenced in February, along with precautionary radiological screening. Discussed the initial screening process undertaken. Stated this screening uncovered three glass beads in one area which were identified as having radium-226 at levels of 3 Micro Curies per gram. This is in the magnitude of household objects such as smoke detectors and some glass dinner wear. The source of these beads may have been the incinerator which was operated on those grounds on the old Base. Stated for all of the soil work done on both Islands, none of the soil has ever been rejected by landfill. There is now a revised completion date of the end of October 2007. The Navy is planning a public information session on the progress of the project for Wednesday May 2nd.

There was no public comment on this item.

14. Discussion of Future Agenda Items by Directors
There was no discussion at this time.

There was no public comment on this item.

15. The meeting adjourned at 3:20 PM.

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